



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda

Government Accountability, Oversight and Financial Performance Committee

Councilmembers: *Bob Ferguson, Chair; Pete von Reichbauer, Vice Chair;
Larry Gossett, Kathy Lambert*

Staff: *Pat Hamacher, Lead Staff (206-296-1642)
Joanne Rasmussen, Committee Assistant (206-296-0333)*

9:30 AM

Tuesday, May 8, 2012

Room 1001

Pursuant to K.C.C. 1.24.035 A. and F., this Government Accountability, Oversight and Financial Performance Committee meeting is also noticed as a meeting of the Metropolitan King County Council, whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to full council meetings.

1. **Call to Order**
2. **Roll Call**
3. **Approval of Minutes**

April 24, 2012

To show a PDF of the written materials for an agenda item, click on the agenda item below.



Sign language and communication material in alternate formats can be arranged given sufficient notice (206-1000).

TDD Number 206-1024.

ASSISTIVE LISTENING DEVICES AVAILABLE IN THE COUNCIL CHAMBERS.



Discussion and Possible Action

4. [Proposed Ordinance No. 2012-0143](#) pp 9-54

AN ORDINANCE relating to the employee giving program; and amending Ordinance 8575, Section 1, as amended, and K.C.C. 3.36.010, Ordinance 8575, Section 2, as amended, and K.C.C. 3.36.020, Ordinance 8575, Section 3, as amended, and K.C.C. 3.36.030, Ordinance 16035, Section 5, and K.C.C. 3.36.045, Ordinance 16035, Section 6, and K.C.C. 3.36.055, Ordinance 16035, Section 7, and K.C.C. 3.36.065, Ordinance 16035, Section 8, and K.C.C. 3.36.075, Ordinance 15378, Section 3, and K.C.C. 1.36.040, Ordinance 15558, Section 2, and K.C.C. 3.12.222, Ordinance 14998, Section 1, and K.C.C. 4.08.345 and Ordinance 12076, Section 9, as amended, and K.C.C. 4.08.015, adding a new section to K.C.C. chapter 3.36, adding a new section to K.C.C. chapter 3.04, adding a new section to K.C.C. chapter 2.80 and repealing Ordinance 8575, Section 4, as amended, and K.C.C. 3.36.040.

Sponsors: Mr. Ferguson

Clif Curry, Council Staff

Contingent upon referral to the Government Accountability, Oversight and Financial Performance Committee

5. [Proposed Ordinance No. 2012-0119](#) pp 55-56

AN ORDINANCE relating to the King County Code; and amending Ordinance 13880, Section 19, and K.C.C. 1.03.040, Ordinance 13880, Section 20, and K.C.C. 1.03.050 and Ordinance 13880, Section 25, and K.C.C. 1.03.100 and repealing Ordinance 5962, Section 2, as amended, and K.C.C. 2.12.080.

Sponsors: Mr. Gossett

Patrick Hamacher, Council Staff

Briefing

6. [Briefing No. 2012-B0079](#) pp 57-68

Briefing on the County's Debt Portfolio

*Ken Guy, Finance Director, Finance and Business Operations Division
Nigel Lewis, Senior Debt Analyst, Finance and Business Operations Division
Rob Shelley, Financial Advisor, Seattle-Northwest Securities Corporation*

7. [Briefing No. 2012-B0080](#) pp 69-92

Accountable Business Transformation (ABT) Quarterly Report

Tina Rogers, Capital Project Oversight Manager

Shelley Sutton, Accountable Business Transformation (ABT) Oversight Analyst

Carolyn Whalen, County Administrative Officer and ABT Program Sponsor

Mike Herrin, ABT Program Manager

8. [Briefing No. 2012-B0081](#) pp 93-107

Pretrial Risk Assessment Quarterly Report

Polly St. John, Council Staff

Other Business

Adjournment

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Meeting Minutes

Government Accountability, Oversight and Financial Performance Committee

*Councilmembers: Bob Ferguson, Chair; Pete von Reichbauer,
Vice Chair;
Larry Gossett, Kathy Lambert*

*Staff: Pat Hamacher, Lead Staff (206-296-1642)
Joanne Rasmussen, Committee Assistant (206-296-0333)*

9:30 AM

Tuesday, April 24, 2012

Room 1001

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1. **Call to Order**

Chair Ferguson called the meeting to order at 9:30 a.m.

2. **Roll Call**

Present: 3 - Mr. Ferguson, Mr. Gossett and Ms. Lambert

Excused: 1 - Mr. von Reichbauer

3. **Approval of Minutes**

Discussion and Possible Action

4. **Proposed Ordinance No. 2012-0138**

AN ORDINANCE relating to King County district court electoral district boundaries for 2012; and amending Ordinance 16803, Section 1, as amended.

Sponsors: Mr. Ferguson

Clifton Curry, Council Staff, briefed the committee and answered questions from the members. The item was expedited to the April 30, 2012 King County Council agenda. The item passed subject to signature.

A motion was made by Councilmember Ferguson that this Ordinance be Recommended Do Pass Consent. The motion carried by the following vote:

Yes: 3 - Mr. Ferguson, Mr. Gossett and Ms. Lambert

Excused: 1 - Mr. von Reichbauer

5. Proposed Ordinance No. 2012-0133

AN ORDINANCE relating to personal property tax administration, authorizing the assessor to waive certain personal property tax nonfiling penalties that result from unreported or under-reported property in assessment years 2011 and earlier; and declaring an emergency.

Sponsors: Ms. Lambert and Mr. Ferguson

Patrick Hamacher, Council Staff, briefed the committee and answered questions from the members. John Arthur Wilson, Deputy County Assessor, answered questions from the members. The item was expedited to the April 30, 2012 King County Council agenda. The item was passed subject to signature.

A motion was made by Councilmember Ferguson that this Ordinance be Recommended Do Pass. The motion carried by the following vote:

Yes: 3 - Mr. Ferguson, Mr. Gossett and Ms. Lambert

Excused: 1 - Mr. von Reichbauer

6. Proposed Ordinance No. 2012-0137

AN ORDINANCE authorizing the county executive to enter into an interlocal agreement with Sound Transit to provide small contractor and supplier certification services.

Sponsors: Mr. Ferguson

Mike Alvine, Council Staff, briefed the committee and answered questions from the members. The item was expedited to the April 30, 2012 King County Council agenda. The item passed subject to signature.

A motion was made by Councilmember Ferguson that this Ordinance be Recommended Do Pass. The motion carried by the following vote:

Yes: 3 - Mr. Ferguson, Mr. Gossett and Ms. Lambert

Excused: 1 - Mr. von Reichbauer

Briefing

7. Briefing No. 2012-B0071

Briefing on the Auditor's Office 2011 Accomplishments.

Cheryle Broom, King County Auditor, and Ron Perry, Deputy County Auditor, briefed the committee and answered questions from the members during a PowerPoint presentation.

This matter was Presented

Other Business

There was no further business to come before the committee.

Adjournment

The meeting was adjourned at 10:13 a.m.

Approved this _____ day of _____.

Clerk's Signature

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Government Accountability, Oversight and Financial Performance Committee

STAFF REPORT

Agenda Item:	4	Name:	Clifton Curry
Proposed No.:	2012-0143	Date:	May 8, 2012
Invited:	Caroline Whalen, Chief Administrative Officer Junelle Kroontje, Employee Giving Program Administrator William Borden, Director, EarthShare of Washington Kim Martin, Director of Philanthropy and Finance, Medic One Foundation		

SUBJECT

AN ORDINANCE relating to the employee giving program; and amending Ordinance 8575, Section 1, as amended, and K.C.C. 3.36.010, Ordinance 8575, Section 2, as amended, and K.C.C. 3.36.020, Ordinance 8575, Section 3, as amended, and K.C.C. 3.36.030, Ordinance 16035, Section 5, and K.C.C. 3.36.045, Ordinance 16035, Section 6, and K.C.C. 3.36.055, Ordinance 16035, Section 7, and K.C.C. 3.36.065, Ordinance 16035, Section 8, and K.C.C. 3.36.075, Ordinance 15378, Section 3, and K.C.C. 1.36.040, Ordinance 15558, Section 2, and K.C.C. 3.12.222, Ordinance 14998, Section 1, and K.C.C. 4.08.345 and Ordinance 12076, Section 9, as amended, and K.C.C. 4.08.015, adding a new section to K.C.C. chapter 3.36, adding a new section to K.C.C. chapter 3.04, adding a new section to K.C.C. chapter 2.80 and repealing Ordinance 8575, Section 4, as amended, and K.C.C. 3.36.040.

SUMMARY

This Proposed Ordinance makes changes to the county's Employee Giving Program (program). The program was created in 1988 and supports the Annual Giving Drive, ad hoc campaigns to support natural disaster relief efforts, and all requests for information from employees and nonprofit organizations. King County employees have donated more than \$20 million through the program, supporting its growth from less than 10 qualified nonprofit organizations to more than 700 hundred in 2010.

This proposed ordinance changes county code to empower the King County's Employee Giving Program Committee to adopt rules and bylaws to administer the program consistent with defined principles set forth in the ordinance. The proposed ordinance also would modify the one of the existing eligibility rules by which a nonprofit may participate in the annual drive or natural disaster relief solicitations. Further, the ordinance proposes to allow the program to accept donations or develop revenue to

offset program administration costs. Finally, the ordinance makes several clarifying changes to existing code as recommended by the code reviser.

Background

In the 1950s, labor unions across the country began forming *community chests* as a way of giving back to the community and building employee unity. These were the first *workplace giving campaigns*. These campaigns allowed employees to make contributions to charities without the need to mount multiple costly campaigns, thus reducing the cost of the campaign and allowing more money to be available for charitable giving.

The county's Employee Giving Program was created in 1988 and supports the Annual Giving Drive, ad hoc campaigns to support natural disaster relief efforts, and year-round requests for information from employees and nonprofit organizations. King County employees have donated more than \$20 million since the inception of the program, supporting its growth from less than 10 qualified nonprofit organizations to more than 700 hundred in 2010. In 2010, King County employees donated \$1.56 million dollars through payroll deduction, vacation or comp time donation, special events, and one time donations. These funds went to support over 700 nonprofit organizations participating in the annual giving drive. In addition, the county program raised another \$286,000 for the Japan Earthquake/Tsunami Relief Effort.

The program was created to provide a convenient and effective channel through which county employees may contribute to charitable organizations through direct contribution, payroll deductions, or the conversion of leave. The program is self-supported and seeks to provide the program through minimal disruption to the county workplace and without multiple charitable campaigns. The program is also responsible for ensuring charitable organizations meet minimum requirements and are thereby eligible to receive contributions.

A 15-member Employee Giving Program Committee appointed by the executive, and confirmed by the council, governs the Employee Giving Program and the Annual Giving Drive. During the drive, several Campaign Executives (volunteers from various agencies) join the program as temporary staff to support the full-time Employee Giving Program Administrator. Furthermore, over 200 employees volunteer to serve as coordinators within the various departments and divisions for the drive. They provide program information and then collect donation forms for employees ensuring each King County employee has the opportunity to participate. An administrative fee is charged to employee charitable donations to pay for the program. Traditionally, the administrative fee has been between 8 to 12 percent, fluctuating from year to year. This is the entire budget for the following year's program. If there are any administrative funds left at the end of the year they are donated to nonprofit organizations in the next year.

The Employee Giving Program screens all nonprofit participants so employees can be assured their donations are going to a legitimate nonprofit. Each participating organization is required by code to be registered as a 501(c)(3) nonprofit organization

and registered with the Secretary of State to solicit donations in Washington. The agencies must also demonstrate that they are in compliance with the non-discrimination policies set by King County and have total administrative costs of 25 percent or less.

Analysis

According to the executive, the program changes included in this proposed ordinance are intended to clarify the responsibilities of the Employee Giving Program Committee and align the overall program with the *service excellence* and *financial stewardship* goals of King County's Strategic Plan. The program is also seeking to implement industry best practices by strengthening nonprofit eligibility standards, streamlining administrative processes, reducing program costs, and allowing the program to raise additional revenues that can help defray administration and overhead expenses.

The proposed ordinance would add the following principles to King County Code to guide the committee in establishing new rules and bylaws, as well as establishing the overall policies for the administration of the program:

- Seek operational efficiencies.
- Enhance Program effectiveness.
- Use innovative best practices.
- Promote equitable access for nonprofit participation.
- Maintain standards to ensure nonprofit fiscal responsibility and stability.

The ordinance proposes that the Employee Giving Program Committee be empowered to adopt rules and bylaws to administer the program consistent with these principles. The ordinance proposes changes to reinforce the committee's fiscal stewardship role and the responsibility for establishing and applying eligibility rules by which a nonprofit may participate in the annual drive and natural disaster relief solicitations. It appears that these proposed changes will allow for more flexibility in changing the program to meet evolving circumstances in an efficient and accountable manner. In addition, the ordinance proposes that some administrative details currently contained in the King County Code be moved into program rules to be established by the committee and implemented via the public rule-making process. Rather than being required to change code whenever a change is identified, the committee would be able to use a less cumbersome process that still requires a transparent process for reviewing the changes before they are implemented.

The eligibility criteria currently in King County Code, including requirements for nonprofits to have IRS 501(c)(3) status or be a governmental unit in the state of Washington; to be registered as a charitable organization with the Washington Secretary of State; and to comply with King County's nondiscrimination policy (or claim a legal exemption) would not change. However, according to the executive, the committee would use new rules that strengthen standards used to screen nonprofit

participation in the annual drive. For example, the rules would include new eligibility criteria for truthfulness in advertising, annual independent financial audits and protection of donor privacy.

Nevertheless, the executive is proposing to eliminate one of the criteria currently contained in King County Code. The program currently uses the ratio of administrative plus fundraising expenses, divided by revenue (called the Administrative Fundraising Ratio or AFR), to screen nonprofits for inclusion in the annual drive. Prior to 2011, the maximum AFR allowed was 25 percent. In 2011, Ordinance 17047 was adopted that increased the allowed AFR from 25 percent to 35 percent for just one year to account for the effects of the recession on nonprofit agency fundraising and revenues. The executive is making this recommended change after a multi-year review of the current eligibility requirements.

The 2010 Employee Giving Program Strategic Plan prioritized the review and potential revision of eligibility criteria for nonprofit participation in the Annual Drive, in order to better align these criteria with current industry standards. The Nonprofit Relations & Development Subcommittee was charged with researching and forming eligibility criteria recommendations to the full committee. The subcommittee reviewed industry standards, best practices, and interviewed charitable organizations to determine whether the county's existing requirements were appropriate when compared to nationwide standards. The subcommittee concluded that the AFR methodology is no longer appropriate because:

1. There is no consistency across nonprofits in how they define the expense components used to calculate the AFR,
2. The AFR is not used in the nonprofit evaluation process by industry leaders, and,
3. The AFR may actually exclude what are otherwise sound and well run nonprofits from the annual drive.

For future campaigns, in lieu of publishing AFR data, the committee recommends that the program provide references and resources to employees during the annual drive that will assist in their independent evaluations of the nonprofits. Attachment 4 describes the subcommittee's conclusions.

The proposed ordinance, with its proposed change to allow the committee to set rules administratively, appears to allow for more flexibility to adjust nonprofit eligibility standards as they evolve, ensuring stability in nonprofit participation from year to year. According to the executive, with the expected increased stability, participation in the program will probably increase. The changes will also allow for additional technological improvements and processing efficiencies that can be implemented without changing county code.

Finally, the ordinance includes a provision that will allow the program to accept donations from the general public and businesses and to offer revenue generating opportunities, such as advertising in the annual drive catalog and on the program website. This change would allow the program to maximize fundraising potential with no added burden to the County budget or the taxpayer. The Fiscal Note accompanying the proposed ordinance estimates that the program realize about \$6,000 in 2012, and between \$10,000 and up to \$14,000 in future years if this provision is adopted.

This proposed ordinance was prepared with support from the Prosecuting Attorney's Office and has been reviewed by the council Legal Counsel.

ATTACHMENTS

1. Proposed Ordinance 2012-0143
2. Transmittal letter, Dated April 11, 2012
3. Fiscal Note
4. Analysis of Using Administrative & Fundraising Ratios in Nonprofit Eligibility Screening, King County Employee Giving Program
5. Employee Giving Program 2011 Ordinance: Line by Line Description of Proposed Changes to Existing Code, King County Employee Giving Program

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KING COUNTY

Attachment 1

Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

May 4, 2012

Ordinance

Proposed No. 2012-0143.1

Sponsors Ferguson

1 AN ORDINANCE relating to the employee giving
2 program; and amending Ordinance 8575, Section 1, as
3 amended, and K.C.C. 3.36.010, Ordinance 8575, Section 2,
4 as amended, and K.C.C. 3.36.020, Ordinance 8575, Section
5 3, as amended, and K.C.C. 3.36.030, Ordinance 16035,
6 Section 5, and K.C.C. 3.36.045, Ordinance 16035, Section
7 6, and K.C.C. 3.36.055, Ordinance 16035, Section 7, and
8 K.C.C. 3.36.065, Ordinance 16035, Section 8, and K.C.C.
9 3.36.075, Ordinance 15378, Section 3, and K.C.C.
10 1.36.040, Ordinance 15558, Section 2, and K.C.C.
11 3.12.222, Ordinance 14998, Section 1, and K.C.C. 4.08.345
12 and Ordinance 12076, Section 9, as amended, and K.C.C.
13 4.08.015, adding a new section to K.C.C. chapter 3.36,
14 adding a new section to K.C.C. chapter 3.04, adding a new
15 section to K.C.C. chapter 2.80 and repealing Ordinance
16 8575, Section 4, as amended, and K.C.C. 3.36.040.

PREAMBLE:

17 Created in 1988 as a workplace charitable giving program of, by and for
18 the employees of King County, the employee giving program enables
19

fiscally efficient employee support of qualified nonprofit organizations.

The program is engaged year-round in support of the annual giving drive, natural disaster response efforts, and response to employee and nonprofit requests for information about charitable giving. Since the program's creation, King County employees have donated more than twenty million dollars through the program, supporting its growth from fewer than ten qualifying nonprofit organizations to more than seven hundred in 2010.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 8575, Section 1, as amended, and K.C.C. 3.36.010 are each hereby amended to read as follows:

A. This chapter is intended to establish ~~((a means consistent with state law governing salary and wage deductions for charitable agencies, whereby uniform procedures are established))~~ uniform guidance, consistent with state law governing salary and wage deductions, for the efficient administration of ~~((one annual campaign for))~~ county employee charitable contributions ~~((from county employees, which may be made through payroll deductions))~~ to qualified nonprofit organizations, donated via the annual drive and natural disaster relief solicitations. This chapter shall be liberally construed to accomplish this ~~((purpose))~~ intention.

B. The purpose of this chapter is to~~((:~~

~~1. Lessen the burden of county government and of local communities in the meeting of charitable needs;~~

41 ~~2. P))~~provide a convenient and effective channel through which county
42 employees may contribute to ~~((the efforts of qualifying agencies providing services in the~~
43 ~~county, state, nation or overseas;~~

44 ~~3. Minimize both the disruption to the county workplace))~~ qualified nonprofit
45 organizations, while minimizing disruption to the county workplace and the costs to the
46 taxpayer that multiple charitable fund drives ~~((have caused;))~~ cause, and

47 ~~4. Ensure that recipient agencies are fiscally responsible in the uses of the~~
48 ~~moneys raised.))~~ to enhance government and community efforts to meet charitable needs.

49 C. The program shall provide guidance, quality control and disbursement of
50 employee donations to qualified nonprofit organizations and federations as provided by
51 this chapter, in accordance with rules for the program.

52 SECTION 2. Ordinance 8575, Section 2, as amended, and K.C.C. 3.36.020 are
53 each hereby amended to read as follows:

54 The definitions in this section apply throughout this chapter unless the context
55 clearly requires otherwise.

56 A. ~~((Campaign))~~ Annual drive" means the annual solicitation of contributions
57 from county employees by representatives of ~~((federations and charitable))~~ qualified
58 nonprofit organizations and federations through oral presentations, printed materials,
59 audio~~((/))~~ or video media or other similar means ~~((that occurs on county property during~~
60 ~~normal county business hours))~~.

61 B. ~~((Charitable organization" means an organization that:~~

62 ~~1. Has been in active existence at least the previous three years;~~

~~2. Is formally recognized by the United States Internal Revenue Service as complying with Section 501(c)(3) of the Internal Revenue Code or is a governmental unit of the state of Washington, and for which all contributions to the organization are eligible to be deductible for federal income tax purposes under Section 170 of the Internal Revenue Service Code of 1986 as demonstrated by receipt of an internal revenue service letter of determination granting tax deductible status to the charitable organization.))~~

"Committee" means the county employee giving program committee established under K.C.C. 3.36.030.

C. "Employee giving program" or "the program" means the King County sanctioned, employee-based program that provides the process and infrastructure for administration of employee-directed giving to qualified nonprofit organizations and federations through the annual drive and natural disaster relief solicitations and is administered by the committee in accordance with this chapter and any rules adopted for the program.

D. ~~"Federation" means a ((group, representing at least five charitable organizations, that is organized to))~~ nonprofit organization that solicits and distributes contributions on behalf of its member ((charitable)) nonprofit organizations.

~~((D. "Participating organization" means a federation or charitable organization that is participating in the campaign))~~ E. "Qualified nonprofit organization" means a nonprofit organization or federation that applies to participate in the annual drive and meets the eligibility criteria as provided in this chapter and any rules adopted for the program.

85 SECTION 3. Ordinance 8575, Section 3, as amended, and K.C.C. 3.36.030 are
86 each hereby amended to read as follows:

87 A. A county employee giving program committee is established consisting of
88 fifteen members nominated by the committee, appointed by the executive and confirmed
89 by the council. ~~((Members of the committee should be assembled from all of the~~
90 ~~bargaining units and from unrepresented employees. The members from each bargaining~~
91 ~~unit should be approximately proportional to the number of employees represented by the~~
92 ~~bargaining unit.))~~

93 1. The committee shall strive in its nominations to include members
94 representing the diversity of the county work force, including ~~((at least two))~~ union
95 ~~((members))~~ representation.

96 2. The term of committee members shall be two years. ~~((To ensure continuity~~
97 ~~of the membership for each year's campaign, terms shall begin on January 1 and expire~~
98 ~~March 1 two years later.))~~

99 3. A committee member who serves as a federation or nonprofit organization
100 board member or director, or in a decision-making capacity for a federation or nonprofit
101 organization, shall not vote on that federation or nonprofit organization's eligibility if that
102 federation or nonprofit organization applies to participate in the annual drive;

103 4. The committee shall annually elect a chair and ~~((such))~~ other officers as ~~((are~~
104 ~~needed))~~ established in the committee's bylaws.

105 B.~~((1.))~~ In order to operate the program, ~~((F))~~the committee ~~((shall))~~ may:

106 1. ~~((a))~~Adopt ((such)) rules and bylaws consistent with this chapter ((as)) that
107 are necessary to the conduct of the ~~((campaign. The committee shall also))~~ program,
108 based upon the following principles:

109 a. seek operational efficiencies;

110 b. enhance program effectiveness;

111 c. use innovative best practices;

112 d. promote equitable access for nonprofit participation; and

113 e. maintain standards to ensure nonprofit fiscal responsibility and stability;

114 2. Establish and apply eligibility rules by which a nonprofit organization may
115 participate in the annual drive;

116 3. ~~((e))~~Coordinate and facilitate the ((campaign. The coordination may include,
117 ~~but need not be limited to, determining which federations and charitable organizations~~
118 ~~may, consistent with this chapter and any rules adopted in accordance with this chapter,~~
119 ~~participate in the campaign and the dates by which applications must be filed for the~~
120 ~~campaign. If the committee determines that a federation or charitable organization is not~~
121 ~~eligible, the federation or charitable organization may appeal the decision to the~~
122 ~~committee.~~

123 2. ~~The committee shall revoke a determination of eligibility if one or more of~~
124 ~~the following occurs:~~

125 a. ~~fraud;~~

126 b. ~~failure of an applicant to inform the committee of any fact that would affect~~
127 ~~the committee's determination about the applicant's eligibility; or~~

128 c. ~~a participant is ineligible under this chapter.~~

~~C. The committee shall assist the executive or designee in the selection of a campaign administrator who shall be responsible for the details of the campaign operation under the general oversight of the committee. Cost of the campaign administrator shall be included as part of the administrative cost of conducting the campaign.)) annual drive and natural disaster relief solicitations consistent with this chapter and any rules adopted for the program. If the committee determines that a federation or nonprofit organization is not eligible to participate in the annual drive, the federation or nonprofit organization may apply to the committee for reconsideration of the eligibility decision;~~

4. Guide fiscal stewardship of the program;

~~((D. Members of the committee shall)) 5. ((§))Serve voluntarily without additional ((salary but)) wages, including no additional compensation for working beyond normal working hours, and shall be reimbursed by their employing departments for travel, lodging and meals in accordance with county laws and regulations. Committee members shall be given release time from regular work hours to serve on the committee. ((Members of the committee shall be paid no additional compensation for working beyond normal working hours.))Employees covered by the overtime requirements of the Fair Labor Standards Act who are serving as committee members should ensure that their working hours, including hours worked for the committee, do not exceed approved hours((-));~~

~~((E. A member of the committee shall not vote on a federation or charitable organization's eligibility if the member has a board membership, directorship or other~~

~~decision-making capacity in the federation or charitable organization))~~ 6. Assist the executive or the executive's designee in the selection of a program administrator; and

7. Solicit and accept from the general public and business communities and all other persons, gifts, bequests and donations to the county in support of the program. All gifts, bequests and donations of money to the county for support of the program shall be deposited and credited to the employee giving program contributions fund created under K.C.C. 4.08.345.

NEW SECTION. SECTION 4. There is hereby added to K.C.C. chapter 3.36 a new section to read as follows:

The program administrator shall be responsible for the operational details of the program, including the annual drive and natural disaster response solicitations, under the general oversight of the committee. The cost of the program administrator shall be included as part of the administrative cost of the program.

SECTION 5. Ordinance 8575, Section 4, as amended, and K.C.C. 3.36.040 are each hereby repealed.

SECTION 6. Ordinance 16035, Section 5, and K.C.C. 3.36.045 are each hereby amended to read as follows:

A. A federation or ~~((charitable))~~ nonprofit organization((s)) may participate in the ~~((campaign))~~ annual drive if the federation or ~~((charitable))~~ nonprofit organization submits a timely application for participation to the committee ~~((to include, at a minimum, a certification signed by an authorized officer or employee))~~ and meets all eligibility standards as established by this chapter and any rules adopted for the program. An official of the federation or ~~((charitable))~~ nonprofit organization ~~((, which shall~~

~~contain statements to the effect that))~~ must certify on the annual drive application that the
federation, each nonprofit organization represented by the federation, or the nonprofit
organization:

1. ~~((The federation and each organization represented by the federation, or the~~
~~charitable organization, meets the standards established respectively in K.C.C. 3.36.020~~
~~B. and C))~~ Is formally recognized by the United States Internal Revenue Service as
complying with Section 501(c)(3) of the Internal Revenue Code of 1986 or is a
governmental unit of the state of Washington, and for which all contributions to the
nonprofit organization are eligible to be deductible for federal income tax purposes under
Section 170 of the Internal Revenue Code of 1986;

2. ~~((For a federation, the federation has express permission of the board of~~
~~directors of each charitable organization represented by the federation for the use of the~~
~~organization's name and participation in the campaign;~~

3. ~~The federation and each organization represented by the federation, or the~~
~~charitable organization, i))~~ Is registered with the Washington Secretary of State as
provided by RCW 19.09.065 and is in compliance with Washington state laws governing
charities to the best of the knowledge of the individual certifying the application; ((and

4. ~~The federation and each organization represented by the federation, or the~~
~~charitable organization, except government units, are governed by a voluntary board of~~
~~directors that serves without compensation for serving on the board;~~

5.) 3.a. ((The participating organization d)) Does not discriminate ((for or))
against any ((individual or group)) person on ((account)) the basis of race, color, ((creed,
religion)) religious affiliation, sex, age, ((nationality)) national origin, marital status,

sexual orientation, ~~((or the presence of any sensory, mental or physical))~~ disability ~~((in all aspects of the management and the execution of the charitable campaign))~~, or gender identity or expression or qualifies for an exemption under Title VII of the Civil Rights Act of 1964 as amended. An affirmation of a participating organization's adherence to this ~~((nondiscrimination policy))~~ subsection A.3.a, or a statement of ~~((a legal))~~ exemption from ~~((the policy))~~ this subsection A.3.a, must be included in the organization's application. A federation must affirm in the federation's application the adherence to this ~~((policy))~~ subsection A.3.a, or a legal exception from ~~((the policy))~~ this subsection A.3.a, ~~((of))~~ for each ~~((charitable))~~ nonprofit organization the federation represents ~~((in the application))~~.

b. Nothing in this subsection A.~~((5.))~~3. denies eligibility to a federation or ~~((charitable))~~ nonprofit organization that is otherwise eligible to participate in the ~~((campaign))~~ annual drive merely because the federation or ~~((charitable))~~ nonprofit organization is organized by, on behalf of or to serve persons of a particular race, color, ~~((religion))~~ religious affiliation, sex, national origin, age ~~((or handicap))~~, marital status, sexual orientation, disability, or gender identity or expression.~~((, or to a federation or nonprofit organization exempt from this requirement by federal law. If a federation or charitable organization claims an exemption under this subsection B.2., a statement to that effect must be included with the federation or charitable organization's application and that stated exemption may be noted in campaign materials; and~~

~~6. The participating organization expends the moneys received from King County employees through the campaign within twelve months of receipt of the moneys. If a participating organization exceeds the twenty-five percent fundraising and~~

~~administrative and overhead costs, the organization shall be given one year to comply and thereafter may be excluded from the campaign until documentation is provided that shows a minimum of seventy-five percent of the moneys received have been used for the charitable purposes for which it was solicited. Where questions arise, the committee shall use the most recent Internal Revenue Service Form 990 of the federation or charitable organization for clarification. A federation and each organization represented by the federation, or the charitable organization, shall make available to the employee committee, the council and the county executive copies of its annual report including its most recent financial statement, as well as a disclosure for that period of the total dollar value of support from all sources received on behalf of the charitable purposes of the organization and the total amount of money applied to charitable purposes, fundraising costs and other expenses, upon request)).~~

B. Participating organizations' responses provided under subsection A. of this section may be noted in annual drive materials.

SECTION 7. Ordinance 16035, Section 6, and K.C.C. 3.36.055 are each hereby amended to read as follows:

A. ~~((Organizations participating in campaigns may solicit donations from county employees to be made by payroll deductions, in a manner approved by the committee))~~
Employees may be solicited for program contributions in accordance with this chapter.

B. Solicitations and events related to the program must be conducted on county property during normal county business hours.

C. Employees may use county property for the purposes of solicitations for or the promotion of the program.

D. As provided in RCW 41.06.250(1) and 42.17.130, county property, county
~~((or))~~ equipment ~~((or))~~ and county employees' working time may not be used during a
campaign for partisan political purposes, to assist in an individual's election to political
office or for the promotion of or opposition to any ballot proposition.

~~((C. All promotional costs associated with the campaign related to county
employees shall be the responsibility of those organizations designated to participate in
the distribution of the funds collected.~~

~~D. County employees' participation in charitable campaigns shall be strictly
voluntary. No))~~ E. A county employee shall not be coerced to participate in any
~~((campaign))~~ presentation or ~~((coerced))~~ to make any donation to a ~~((charitable))~~
qualified nonprofit organization. ~~((No))~~ A county employee shall not be penalized for
failing to participate in ~~((a campaign or for not making a donation to a charitable
organization))~~ the program. Departments ~~((directors))~~ and offices may authorize time for
department employees to attend presentations ~~((undertaken as part of the campaign in
accordance with county policy))~~ about the program.

SECTION 8. Ordinance 16035, Section 7, and K.C.C. 3.36.065 are each hereby
amended to read as follows:

A. Donations through the annual drive may include payroll deductions, checks,
money orders, cash and time donations in accordance with K.C.C. 3.12.222.

B. The county shall make deductions from county employees' salary warrants
and pay the moneys collected to the qualified nonprofit organizations and federations
designated by county employees when the deductions and payments are authorized by
county employees in accordance with this chapter.

~~((B. An employee may also make a one time contribution in the calendar year in which the campaign is conducted, by one or more of the following methods:~~

~~1. Payroll deduction;~~

~~2. Submitting a check made out to a participating organization or the campaign as a whole; and~~

~~3. Making a donation in accordance with K.C.C. 3.12.222.A.))~~

SECTION 9. Ordinance 16035, Section 8, and K.C.C. 3.36.075 are each hereby amended to read as follows:

~~((A.1. Quarterly, a))~~After ~~((campaign))~~ program costs have been paid, all payroll deductions must be fully disbursed by the county to ((participating)) the designated qualified nonprofit organizations and federations ~~((in the proportion calculated on overall contributions for the campaign year, excluding one time contributions.))~~ by the end of the first quarter following the deduction year. Federations shall make distributions to their member charitable organizations as designated by contributors.

~~((2. Donations made under K.C.C. 3.36.065.B. must be fully disbursed to participating organization by the end of the calendar year in which the campaign is conducted.~~

~~B.))~~ Any undesignated contributions shall be distributed proportionately to the participating organizations.

SECTION 10. Ordinance 15378, Section 3, and K.C.C. 1.36.040 are each hereby amended to read as follows:

Unless otherwise authorized by the King estate, the official logo shall not be used:

A. For purposes of fundraising or solicitation of donations other than the employee ~~((charitable campaign))~~ giving program authorized under K.C.C. chapter 3.36 or solicitation of donations to King County; or

B. To advertise or promote for-profit commercial events or for-profit commercial services, goods or merchandise.

SECTION 11. Ordinance 15558, Section 2, and K.C.C. 3.12.222 are each hereby amended to read as follows:

The executive may implement a process providing the opportunity for benefit-eligible employees to convert accrued vacation or accumulated compensatory hours, or both, into a cash donation. This process must conform to the following:

A. Annually, from the first business day in October through the last business day in November, an employee may sign a written authorization subject to approval by the employee's department director, or the employee's department director's designee, to convert accrued vacation or accumulated compensatory hours, or both, into cash to benefit one nonprofit organization participating in the King County employee ~~((charitable campaign))~~ annual drive in accordance with K.C.C. chapter 3.36, of the employee's choice.

B. Notwithstanding K.C.C. 3.12.190, an employee may convert accrued vacation or accumulated compensatory hours, or both, into cash to benefit natural disaster relief efforts. Upon the occurrence of a natural disaster and with the exception of the employee ~~((charitable campaign))~~ annual drive-related period designated under subsection A. of this section the executive may authorize a forty-five-day opportunity for benefit-eligible employees to sign a written authorization to convert accrued vacation or accumulated

compensatory hours, or both, into cash to benefit one nonprofit organization designated by the executive. The employee's written authorization is subject to approval by the employee's department director or the employee's department director's designee. The designated nonprofit organization must be a King County employee (~~charitable campaign~~) annual drive participant in accordance with K.C.C. chapter 3.36. This section shall be administered in accordance with K.C.C. chapter 3.36.

SECTION 12. Ordinance 14998, Section 1, and K.C.C. 4.08.345 are each hereby amended to read as follows:

A. There is hereby created an employee (~~charitable campaign~~) giving program contributions fund.

~~((This))~~ B. The fund shall be a first tier fund as described in this chapter and shall be a nonbudgeted agency fund.

C. The manager of the finance and business operations division of the department of executive services or his or her designee shall be the (~~fund~~) manager of the fund.

D. All receipts and donations from all sources for employee giving program purposes shall be deposited in the fund.

~~((B. Uses of the employee charitable campaign contributions))~~ E. The fund shall ~~((be limited to the receipt and))~~ provide for disbursement of employee (~~charitable campaign~~) giving program contributions collected from county employees as authorized by K. C. C. chapter 3.36 and the payment of authorized expenses of the employee (~~charitable campaign~~) giving program (~~committee~~).

F. The (~~employee charitable campaign contributions~~) fund shall be administered under the terms of an agreement between the manager of the finance and

334 business operations division of the department of executive services and the employee
 335 ~~((charitable campaign committee))~~ giving program.

336 NEW SECTION. SECTION 13. There is hereby added to K.C.C. chapter 3.04 a
 337 new section to read as follows:

338 Neither the solicitation nor the acceptance of gifts, bequests, or donations
 339 pursuant to K.C.C. chapter 3.36 constitutes a violation of this chapter.

340 NEW SECTION. SECTION 14. There is hereby added to K.C.C. chapter 2.80 a
 341 new section to read as follows:

342 This chapter does not apply to gifts, bequests or donations received for employee
 343 giving program purposes.

344 SECTION 15. Ordinance 12076, Section 9, as amended, and K.C.C. 4.08.015 are
 345 each hereby amended to read as follows:

346 A. First tier funds and fund managers are as follows:

Fund No.	Fund Title	Fund Manager
103	County Road	Dept. of Transportation
104	Solid Waste Landfill Post Closure Maintenance	Dept. of Natural Resources and Parks
106	Veterans' Relief	Dept. of Community and Human Services
109	Recorder's O & M	Dept. of Executive Services
111	Enhanced-911 Emergency Tel System	Dept. of Executive Services
112	Mental Health	Dept. of Community and Human Services
113-5	Mental Illness and Drug Dependency	Dept. of Community and Human Services

114-1	Veterans' Services Levy	Dept. of Community and Human Services
114-2	Health and Human Services Levy	Dept. of Community and Human Services
115	Road Improvement Guaranty	Dept. of Transportation
117	Arts and Cultural Development	Dept. of Executive Services
119	Emergency Medical Services	Dept. of Public Health
121	Surface Water Management	Dept. of Natural Resources and Parks
122	Automated Fingerprint Identification System	Dept. of Public Safety
124	Citizen Councilor Revolving	Auditor
128	Local Hazardous Waste	Dept. of Public Health
129	Youth Sports Facilities Grant	Dept. of Natural Resources and Parks
131	Noxious weed control fund	Dept. of Natural Resources and Parks
134	Development and Environmental Services	Dept. of Development and Environmental Services
137	Clark Contract Administration	Office of Performance, Strategy and Budget
138	Parks Trust and Contribution	Dept. of Natural Resources and Parks
139	Risk Abatement	Office of Performance, Strategy and Budget
145	Parks and Recreation	Dept. of Natural Resources and Parks
156-1	KC Flood Control Operating Contract	Dept. of Natural Resources and Parks
164	Two-Tenths Sales Tax Revenue	Dept. of Transportation

	Receiving	
165	Public Transit Self Insurance	Dept. of Transportation
180-1	Public Health Healthcare Coalition	Dept. of Public Health
215	Grants tier 1 fund	Dept. of Executive Services
216	Cultural Resource Mitigation Fund	Office of Performance, Strategy and Budget
315	Conservation Futures	Dept. of Natural Resources and Parks
316	Parks, Rec. and Open Space	Dept. of Natural Resources and Parks
320	Public Art Fund	Dept. of Executive Services
322	Housing Opportunity Acquisition	Dept. of Community and Human Services
329	SWM CIP Construction 1992-1997	Dept. of Natural Resources and Parks
331	Long-Term Leases	Dept. of Executive Services
338	Airport Construction	Dept. of Transportation
339	Working Forest 1995 B	Dept. of Natural Resources and Parks
340	Park Lands Acquisition 1993	Dept. of Natural Resources and Parks
340-3	Urban Reforestation and Habitat Restoration	Dept. of Natural Resources and Parks
341	Arts and Historic Preservation Capital	Dept. of Executive Services
342	Major Maintenance Reserve	Dept. of Executive Services
346	Regional Justice Center Construction	Dept. of Executive Services
347	Emergency Communications System	Dept. of Executive Services
349	Parks Facilities Rehabilitation	Dept. of Natural Resources and Parks

350	Open Space Acquisition	Dept. of Natural Resources and Parks
357-1	KC Flood Control Capital Contract	Dept. of Natural Resources and Parks
358	Parks Capital Fund	Dept. of Natural Resources and Parks
364-3	Transit Cross-Border Lease Financing Fund	Dept. of Executive Services
368	Real Estate Excise Tax Capital Summary Fund	Dept. of Performance, Strategy and Budget
369	Transfer of Development Credits Program (TDC) Fund	Dept. of Natural Resources Parks
377-1	KCIT Capital Fund	Dept. of Information Technology
378	KCIT Enterprise Services Capital Improvement Fund	Dept. of Information Technology
381	Solid Waste Cap Equip Recovery	Dept. of Natural Resources and Parks
383	Solid Waste Environmental Reserve	Dept. of Natural Resources and Parks
384	Farmland and Open Space Acquisition	Dept. of Natural Resources and Parks
385	Renton Maintenance Fac. Const	Dept. of Transportation
386	County Road Construction	Dept. of Transportation
390	Solid Waste Construction	Dept. of Natural Resources and Parks
391	Landfill Reserve	Dept. of Natural Resources and Parks
394	Kingdome CIP	Dept. of Executive Services
395	Building Capital Improvement	Dept. of Executive Services
396	HMC Building Repair and Replacement	Dept. of Executive Services

404	Solid Waste Operating	Dept. of Natural Resources and Parks
429	Airport Operating	Dept. of Transportation
453-1	Institutional Network Operating Fund	Dept. of Information Technology
461	Water Quality	Dept. of Natural Resources and Parks
464	Public Transportation	Dept. of Transportation
542	Safety and Workers' Compensation	Dept. of Executive Services
544	Wastewater Equipment Rental and Revolving Fund	Dept. of Transportation
546	Department of Executive Service Equipment Replacement	Dept. of Information Technology
547	KCIT Strategy and Performance Operating Fund	Dept. of ((f)) <u>Information Technology</u> ((f))
550	Employee Benefits Program	Dept. of Executive Services
551	Facilities Management	Dept. of Executive Services
552	Insurance	Dept. of Executive Services
557	Public Works Equipment Rental	Dept. of Transportation
558	Motor Pool Equipment Rental	Dept. of Transportation
603	Cultural Resources Endowment	Dept. of Executive Services
622	Judicial Administration Trust and Agency	Dept. of Judicial Administration
624	School District Impact Fee	Office of Performance, Strategy and Budget

674	Refunded Ltd GO Bond Rdmp.	Dept. of Executive Services
675	Refunded Unltd GO Bond	Dept. of Executive Services
676	H&CD Escrow	Dept. of Executive Services
693	Deferred Compensation	Dept. of Executive Services
694	Employee ((Charitable Campaign)) <u>Giving Program</u> Contributions	Dept. of Executive Services
696	Mitigation Payment System	Dept. of Transportation
840	Limited GO Bond Redemption	Dept. of Executive Services
843	DMS Limited GO Bonds	Dept. of Executive Services
851	Stadium GO Bond Redemption	Dept. of Executive Services
890	ULID Assessment - 1981	Dept. of Transportation
1010	Climate Exchange Fund	Office of Performance, Strategy and Budget
1411	Rainy Day Reserve	Office of Performance, Strategy and Budget
1421	Children and Families Services	Dept. of Community and Human Services
1432	Animal Bequest Fund	Dept. of Executive Services
1471	Historical Preservation and Historical Programs Fund	Dept. of Executive Services
1590	Marine Division Operating Fund	Dept. of Transportation
3590	Marine Division Capital Fund	Dept. of Transportation
5490	Business Resource Center Fund	Dept. of Executive Services

347 B. The following shall also be first tier funds:

348 1. All funds now or hereafter established by ordinance for capital construction
349 through specific road improvement districts, utility local improvement districts or local
350 improvement districts. The director of the department of transportation shall be the fund
351 manager for transportation-related funds. The director of the department of natural
352 resources and parks shall be the fund manager for utility-related funds.

353 2. All county funds that receive original proceeds of borrowings made under
354 Chapter 216, Washington Laws of 1982, as now existing or hereafter amended, to the
355 extent of the amounts then outstanding for the borrowings for that fund. For purposes of
356 this subsection, the director of the county department or office primarily responsible for
357 expenditures from that fund shall be the fund manager.

358 3. Any other fund as the council may hereinafter prescribe by ordinance to be

359 invested for its own benefit. County funds shall be treated as provided in K.C.C.
360 4.10.110 unless a designation is made by the council.
361

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Larry Gossett, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this ____ day of _____, ____.

Dow Constantine, County Executive

Attachments: None

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April 11, 2012

The Honorable Larry Gossett
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Gossett:

Enclosed is a proposed ordinance that would change current King County Code to provide a more efficient and effective program for employee charitable giving. The ordinance reflects the high quality efforts of the King County's Employee Giving Program Committee (the Committee) over the past two years.

The recommended program changes included in the ordinance are intended to clarify the responsibilities of the Committee and align the program with the service excellence and financial stewardship goals of King County's Strategic Plan. There is also an emphasis on implementing industry best practice by strengthening nonprofit eligibility standards, streamlining administrative processes, reducing program costs, and allowing the program to raise additional revenues that can help defray administration and overhead expenses.

The program was created in 1988 and has consistently had strong ownership and support from County employees and officials. The program supports the annual giving drive, the ad hoc campaigns to support natural disaster relief efforts, and year-round requests for information from employees and nonprofit organizations. King County employees have donated more than \$20 million through the program, supporting its growth from less than 10 qualified nonprofit organizations to more than 700 hundred in 2010.

The ordinance clarifies that the Committee is empowered to adopt rules and bylaws to administer the program, consistent with broad principles set forth in the ordinance. The ordinance also reinforces the Committee's fiscal stewardship role and the responsibility for establishing and applying eligibility rules by which a nonprofit may participate in the annual drive and natural disaster relief solicitations.

The ordinance proposes that some administrative details currently contained in the King County Code be moved into program rules to be established by the Committee and implemented via the public rule-making process. The new rules will strengthen standards used to screen nonprofit participation in the annual drive. For example, the rules would include new eligibility criteria for truthfulness in advertising, annual independent financial audits and protection of donor privacy. There are, however, several eligibility criteria that would remain in King County Code, including requirements for nonprofits to have IRS 501(c)(3) status or be a governmental unit in the state of Washington; to be registered as a charitable organization with the Washington Secretary of State; and to comply with King County's nondiscrimination policy (or claim a legal exemption).

It is important to note that one of the eligibility criteria currently contained in King County Code would be discontinued. The program currently uses the ratio of administrative plus fundraising expenses, divided by revenue (called the Administrative Fundraising Ratio or AFR), to screen nonprofits for inclusion in the annual drive. In 2011, a one year ordinance was passed that increased the allowed AFR from 25% to 35% to account for the effects of the recession on nonprofit fundraising and revenues. A separate subcommittee of the Committee was charged with researching this past practice and concluded that the AFR methodology is no longer appropriate because: (1) there is no consistency across nonprofits in how they define the expense components used to calculate the AFR, (2) the AFR is not used in the nonprofit evaluation process by industry leaders, and (3) the AFR may actually exclude what are otherwise sound and well run nonprofits from the annual drive. For 2012, in lieu of publishing AFR data, the Committee recommends that the program provide references and resources to employees during the annual drive that will assist in their independent evaluations of the nonprofits.

The ordinance will essentially allow enhanced administrative flexibility for the Committee to adjust nonprofit eligibility standards as they evolve, ensuring stability in nonprofit participation from year to year. With increased stability, we expect participation in the program to increase and this will open the door for additional technological improvements and processing efficiencies.

Finally, the ordinance includes a provision that will allow the program to accept donations from the general public and businesses and to offer revenue generating opportunities, such as advertising, in the annual drive catalog and on the program website. This change would allow the program to maximize fundraising potential with no added burden to the County budget or the taxpayer.

Thank you for your consideration of this ordinance. Additional documents about the program changes are available upon request. If you have any questions, please call Ken Guy, Director of the Finance and Business Operations Division, at 206-263-9254, or Junelle Kroontje, King County Employee Giving Program Administrator, at 206-263-9405.

Sincerely,

Dow Constantine
King County Executive

Enclosures

cc: King County Councilmembers
 ATTN: Michael Woywod, Chief of Staff
 Mark Melroy, Senior Principal Legislative Analyst, BFM Committee
 Anne Noris, Clerk of the Council
Fred Jarrett, Deputy County Executive, King County Executive Office (KCEO)
Rhonda Berry, Assistant Deputy County Executive, KCEO
Carrie S. Cihak, Chief Advisor, Policy and Strategic Initiatives, KCEO
Dwight Dively, Director, Office of Performance, Strategy and Budget
Caroline Whalen, County Administrative Officer, Department of Executive
 Services (DES)
Ken Guy, Director, Finance and Business Operations Division (FBOD), DES
Junelle Kroontje, Administrator, King County Employee Giving Program (KCEGP)
Maria Van Horn, Chair, KCEGP Committee
Roxi Smith, Chair, KCEGP Policy Subcommittee

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FISCAL NOTE

Attachment 3

Ordinance/Motion No. 20XX-XXXX
 Title: Employee Giving Program Ordinance
 Affected Agency and/or Agencies: Employee Giving Program
 Note Prepared By: M. Junelle Kroontje
 Note Reviewed By: Craig Soper

Impact of the above legislation on the fiscal affairs of King County is estimated to be:

Revenue to:

Fund/Agency	Fund	Revenue	Current Year	1st Year	2nd Year	3rd Year
	Code	Source				
Employee Giving Program	6941	Donations	6,000	10,000	12,000	14,000
TOTAL						

Expenditures from:

Fund/Agency	Fund	Department	Current Year	1st Year	2nd Year	3rd Year
	Code					
Employee Giving Program	6941	0194	0	0	0	0
TOTAL			0	0	0	0

Expenditures by Categories

	Current Year	1st Year	2nd Year	3rd Year
TOTAL				

Assumptions: The proposed language authorizing the EGP to solicit and accept donations from the public and businesses will increase revenue. If approved, the overall ordinance will allow for greater efficiencies thereby offsetting potential costs due to the growth of the program.

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Analysis of Using Administrative & Fundraising Ratios in Nonprofit Eligibility Screening

Background

The commitment to using innovative best practices, as affirmed in the King County Employee Giving Program (the Program) mission statement, requires ongoing assessment of workplace giving and nonprofit sectors to identify and pursue best practices as they evolve. The 2010 Employee Giving Program Strategic Plan therefore prioritized the review and potential revision of eligibility criteria for nonprofit participation in the Annual Drive, in order to better align these criteria with current industry standards. The Nonprofit Relations & Development Subcommittee (NPR&D) was charged with researching and forming eligibility criteria recommendations to the full Program Committee. Once approved, these changes were to be proposed in an ordinance to revise the King County code, effective January 1, 2012.

Nonprofit Eligibility Standards Review

The NPR&D committed over a year to the research, review, and discussion of eligibility standards relative to the Annual Drive. Nonprofit industry sources consulted and/or reviewed include:

American Institute of Philanthropy
America's Charities
Association of Fund Raising Professionals
Better Business Bureau
Charity Navigator
Combined Federal Campaign
GuideStar
Multnomah County Campaign
Snohomish County Campaign
Washington Secretary of State
Washington State Combined Fund Drive

AFR Eligibility Screening

The Program currently uses the ratio of administrative plus fundraising expenses, divided by revenue, or the Administrative Fundraising Ratio (AFR), to screen nonprofits for inclusion in the Annual Drive. Prior to 2011, the maximum allowed AFR was 25%. Due to the effects of the recession on nonprofit fundraising and revenue, Ordinance 17047 was passed in 2010 to temporarily increase the allowed AFR to 35% for the 2011 Annual Drive.

NPR&D research revealed that none of the reviewed industry groups use AFR as an evaluative tool. Some use other ratios, such as the Program Expense Ratio or PER (program expenses divided by total functional expenses), the Administrative Ratio (administrative expenses divided by total functional expenses), or the Fundraising Expenses Ratio (fundraising expenses divided by total functional expenses), as single aspects within a body of information they consider in evaluating nonprofits.

On the American Fundraising Professionals website, an article titled, “Avoiding the Cost Ratio Trap”, states:

“There are many misperceptions regarding cost ratios, held by the media, boards and even fundraisers themselves...First, there is the public perception that an important measure of success or worthiness of an organization is based on how little it can possibly spend on fundraising for every dollar raised. While this makes for a more ‘efficient’ use of charitable donations, it is not the same as having an ‘effective’ program, either for fundraising or the end services performed...Some organizations simply require more infrastructure and fundraising investment than others to achieve their mission... Raising money for a symphony is harder than raising money for sick children... some causes require more time and energy in making a convincing case for support than others. Arts organizations, for example, naturally have a smaller donor base than do organizations that address more urgent needs such as hunger, poverty and illness...”

In their charity rating process, Charity Navigator applies different standards based on different measures to different types of charities. Their process for evaluating nonprofits is complex and nuanced. Charity Navigator’s website states:

“...different types of organizations work differently...having different resource and spending requirements. For instance, museums exhibit above-average administration costs as compared to other types of charities due to the cost of maintaining their facilities and collections. Community foundations, food banks, food pantries and food distribution charities are able to raise large sums of money while spending relatively small amounts on fundraising.”

The Better Business Bureau Wise Giving Alliance (the Alliance) helps donors make informed giving decisions, not by ranking charities but by assisting donors in making informed judgments about charities. The Alliance produces in-depth evaluative reports on national charities based on 20 comprehensive “Standards for Charity Accountability,” including PER (65% minimum) and another ratio that divides total fund raising by total related contributions (35% maximum).

The Program Nonprofit Survey – Use of Ratios

In addition to the review of national and regional nonprofit industry leaders, the NPR&D wanted to evaluate the use of ratios locally. To that end, the NPR&D surveyed federations and independent nonprofits participating in the Program to learn their perspective on evaluating fiscal health. Here are a few of the more significant findings.

- Of the 49 respondents asked to identify the tools they used to measure fiscal health, none mentioned AFR. Most pointed to audits, balance sheets, profit/loss statements, or other financial documents.
- Over 95% stated they have an annual financial audit done by an independent auditor.
- When asked what indicators of fiscal health they used, 44% said audits, 30% mentioned some form of financial statements, and 21% said cost per service. None mentioned AFR, though two respondents referred to administrative costs, two to fundraising costs, and 21% referenced some other ratio.
- When asked specifically what calculations they used, none identified AFR.
- When asked to define “Program Expenses”, one component of the AFR calculation, responses were extremely varied.
- Fifty-seven percent include fundraising costs in their definition of administrative costs, while the other 43% do not.
- When asked specifically if they used AFR, 27% didn’t know, 35% said no, and 37% said yes.
- When asked if they have a goal AFR, 70% said no or that they didn’t know.
- When asked if one AFR is appropriate to all organizations, 73% said no, 19% didn’t answer, and 8% said yes.

Conclusions

The Program does not have the resources to evaluate applicant nonprofits at the level of detail that national organizations such as Charity Navigator or the Better Business Bureau does. However, employees should be referred to these organizations for additional information to assist them in their choice of national nonprofits to support.

Based upon the research conducted, the NPR&D concludes that the use of AFR as a ratio to screen Annual Drive applicants is no longer appropriate because:

- 1) No single standard exists by which to judge the AFRs of different types of nonprofits;
- 2) AFR is not used in the nonprofit evaluation process by industry leaders;
- 3) There is no consistency across nonprofits in how they define the expense components used to calculate AFR; and
- 4) A significant majority of Annual Drive nonprofits surveyed as to how they measure fiscal soundness either don’t use AFR or don’t even know what it is.

More importantly, the use of AFR may actually exclude from the Annual Drive what are otherwise sound and well-run nonprofits, since AFR does not discriminate or account for the differences in appropriate administrative and fundraising costs of different types of charities.

Finally, the NPR&D concludes displaying nonprofit AFRs in the Annual Drive Catalog or on the Program website may mislead employees in their consideration of nonprofits to

support. Because AFR is the only numerical value included in the Annual Drive catalog, AFR percentage appears to be a meaningful independent value upon which to base giving decisions. Without extensive research into how charities are rated, employees may logically, though incorrectly, infer that “the lower the AFR, the better the nonprofit.”

NPR&D Recommendations for 2012

1. Nonprofit AFRs should no longer be used in eligibility screening or displayed in the Annual Drive Catalog or online.
2. The Program should provide references and resources during the Annual Drive to assist employees in their further independent evaluation and choice of nonprofits to support.
3. NPR&D should communicate any eligibility changes to nonprofits in advance of the 2012 application period.

Final Thoughts

A study done by America's Charities identified one of the top three pillars for the future of workplace giving to be, “Offering greater choices in giving, consistent with employees’ diversity and varied giving interests.” By providing additional resources to employees about nonprofit ratings, as well as discontinuing the use of AFR in nonprofit eligibility screening, employees will be empowered to exercise greater choice and personal responsibility in their giving.

Employee Giving Program 2011 Ordinance: Line by Line Description of Proposed Changes to Existing Code

Changes proposed in the Employee Giving Program 2011 Ordinance are generally intended to add clarity, increase efficiencies, and reflect best practices.

To strengthen the authorizing aspect of the code and remove barriers to efficiency and innovation, the ordinance proposes more streamlined, cohesive language, and the movement of some administrative and operational detail from the code to rules, established via the King County public rule-making process. These changes are designated in the “Notes – Background Information” column below as “EGP Rules.” For more detail, please see the attached “2011 Ordinance Briefing Paper.”

Section	Page	Line	Action: Description of Proposed Modification	Notes – Background Information
3.36.010 Intent and purpose.				
3.36.010 A	2	32-39	Updated: Reworded & streamlined for clarification.	
3.36.010 B	2, 3	40-50	Updated: Previous 3.36.010.B.1-4 were consolidated & reworded for clarification under one 3.36.010 B.	
3.36.010 C	3	51-53	Added: Consolidation and clarification on quality control and disbursement to organizations. Was previously referenced throughout chapter.	
3.36.020 Definitions.				
3.36.020 A	3	58-62	Updated: “Campaign” now referred to as “annual giving drive” or “annual drive”; last line deleted because it is referenced on page 11, lines 236-237.	Each instance of the word “campaign” in the code is being changed by the ordinance to either “annual drive” or “program”, depending upon context. See 3.36.020 C for “program” definition.
3.36.020 B	3,4	63-70	Deleted: “Charitable organization” definition. Moved: Some elements of “Charitable Organization” definition moved to page 4, line 82, placed alphabetically within new definition of “qualified nonprofit organization”; IRS eligibility criteria moved to pages 8-9, lines 176-180; nonprofit longevity eligibility requirements will move to EGP Rules.	EGP Rules.

Section	Page	Line	Action: Description of Proposed Modification	Notes – Background Information
	4	70	New: “Committee” definition added	
3.36.020 C	4	72-77	New: “Program” definition added	“Program” is currently used in the code, but is not defined. To clarify code language, the ordinance defines the year-round “program” and differentiates it from the “annual drive” and “natural disaster solicitations”, program activities which only occur during specific times of year.
3.36.020 D	4	78-80	Updated: Federation definition was formerly under C. Deleted & Moved: Eligibility requirement for federation to represent at least 5 organizations will move to EGP Rules.	EGP Rules.
3.36.020 E	4	81-84	Updated: Reframed definition from “participating” to “qualified”.	Defines “qualified nonprofit organization” as having met eligibility criteria established in code and rules established in accordance with this chapter.
3.36.030 Employee giving program committee.				
3.36.030 A	5	89-92	Deleted: Suggestion that committee be assembled from all bargaining units with representation proportional to number of employees represented by each bargaining unit.	Representation of all bargaining units on a 15 member board is not possible. Language changed to capture the intent of cultivating diverse county employee representation on the committee, including union representation (see 3.36.030 A 1 revision).
3.36.030 A 1	5	93-95	Updated: Enumerated and reworded to reflect that committee composition should reflect diversity of KC employees, including union representation.	
3.36.030 A 2	5	96-98	Updated: Enumerated. Deleted & Moved: Timing of term expiration will move to EGP Rules.	EGP Rules.
3.36.030 A 3	5	99-102	Moved: Previously included in 3.36.030, former section E (see page 7, lines 146-148). Updated: Reworded for clarification.	
3.36.030 A 4	5	103-104	Updated: Clarified language; added reference to by-laws.	
3.36.030 B	5	105	Updated: Language changed to more clearly authorizing. Enumeration changed. Added reference to operation of whole program.	This section organized to consolidate the committee authorizing language. Current code contains authorizing components interwoven throughout or lacks clarity.
3.36.030 B 1	5,6	106-113	Added: Principles, inspired by the KC Strategic Plan, to guide the committee in operation of the program, including adoption of rules and bylaws.	When added to code, these principles will guide program administration, via the code and EGP Rules, as well as program development.

Section	Page	Line	Action: Description of Proposed Modification	Notes – Background Information
3.36.030 B 2	6	114-115	Moved: Enumerated; previously part of 3.36.030 B1. (see page 6, lines 116-120) Streamlined and clarified.	
3.36.030 B 3	6	116-120	Moved: See new 3.36.030 B2, page 6, lines 114-115.	EGP Rules.
		120-121	Moved: See page 7, lines 133-135: Clarified language.	
		122-127	Deleted and Moved: This section will be moved to the EGP rules as part of the eligibility process and rules.	
		128-131	Moved: Enumerated out under 3.36.030 B7; see page 7, lines 148-149. Moved cost and roles and responsibility of the program administrator to new section 3.36 (see lines 155-160).	
		116,131-132	Updated: Clarified language to make this bullet point one topic.	
	7	133-135	Moved: From page 6, lines 120-121. Clarified language.	
3.36.030 B 4	7	136	Added: Language added to strengthen committee fiscal responsibility.	
3.36.030 B 5	7	137-145	Updated: Streamlined and clarified.	
		146-148	Moved: See 3.36.030 A 3, page 5, lines 99-102	
3.36.030 B 6	7	148-149	Moved: From page 6, 128-129; enumerated; streamlined language.	
3.36.030 B 7	7	150-154	Added: Language authorizing the committee to solicit and accept gifts from the general public and communities in support of the program.	Potential additional income will help defray the cost of the program, lowering costs to participating nonprofit organizations.
3.36.XXX Employee Giving Program Administrator				
3.36.XXX	8	155-160	Moved: Program Administrator roles and responsibilities and cost into this new section, from page 6, lines 129-131.	Moving this info to this new section separates the Administrator's responsibilities from those of the committee.
3.36.040 Annual Campaign				
3.36.040	8	161-162	Repealed. "There shall be one annual campaign for federations and charitable organizations as provided by this chapter and in accordance with rules adopted under this chapter. The committee shall designate the time in which the campaign will be held."	This section was repealed because the concept and authorization of the Annual Giving Drive has been captured in other sections of the proposed ordinance (see pages 2-3, lines 32-53; page 6, lines 116, and 131-133).
3.36.045 Campaign participants – requirements – notice in campaign materials			Legally-mandated eligibility requirements for nonprofit participation in the Annual Drive have been consolidated within this subsection. In the existing code, some are already located here, while others are found in the "definitions" section (see pages 3-4, lines 63-70). Other eligibility requirements will be	See "2011 Ordinance Briefing Paper" and "Analysis of Using Administrative and Fundraising Ratios" for further information on proposed rules guided by industry best practices.

Section	Page	Line	Action: Description of Proposed Modification	Notes – Background Information
moved to EGP Rules, as authorized by the code.				
3.36.045 A	8	165-173	Updated: Rearranged and clarified. Lines 174-176 were pulled up to this subsection and revised to clarify that eligibility rules established by the program are included. Page 6, lines 116-120 also revised and included here.	
3.36.045 A 1	8	174-176	Moved: To 3.36.045 A lines 168-169.	
	8,9	176-180	Moved: From definition subsection, page 4, lines 65-70.	
3.36.045 A 2	9	181-183	Moved: Will be updated and included as part of EGP rules.	EGP Rules.
		184-185	Deleted: Already covered in page 8, lines 165-173.	
		188-190	Moved: Will be updated and included as part of EGP rules.	EGP Rules.
3.36.045 A 3 a, b	9,10	191-209	Updated: Nondiscrimination language was updated to reflect King County Code Title XII. Clarified only legal exemption.	
		209-213	Deleted: Duplicate language found in 3.36.045 A3a.	
	10,11	214-228	Moved: This requirement will be updated to reflect industry best practices and included as part of the EGP Rules.	EGP Rules. See attached “Analysis of Using Administrative and Fundraising Ratios” for further information.
3.36.055 Solicitations of donations – limits on use of county property or equipment – promotional costs – voluntary employee participation				
3.36.055 A	11	233-234	Updated: Who (3.36.020, 3.36.045 & 3.36.055), what types of donations (3.36.065A), and types of solicitations (remaining section 3.36.055) have been detailed in the ordinance. Streamlined this sentence.	
3.36.055 B	11	236-237	Moved: Found in current code as part of a definition. See page 3, lines 61-62. Clarified language.	
3.36.055 C	11	238-239	Added: Clarifies authorizing language.	The program as an “official part of county business” allows for this provision. This addition calls this authorization out.
3.36.055 D	11	240-241	Updated: Technical updates.	
		244-246	Deleted: Duplicative to lines 271-275.	
3.36.055 E	12	247-254	Updated: Clarified and updated language.	
3.36.065 Deductions from salary warrants for donations – one-time donations				
3.36.065 A	12	257-258	Moved and Updated: Consolidated and updated the language regarding donations. Moved some concepts here from page 12, lines 263-268.	Consolidated and clarified here are the types of donations allowed to be solicited and accepted.
3.36.065 B	12	259-262	Updated: Clarified language.	
		263-268	Moved: This language was consolidated into 3.36.065 A.	The code already authorizes the program and the solicitation of donations for nonprofits in the

Section	Page	Line	Action: Description of Proposed Modification	Notes – Background Information
				program. It is unnecessary to call-out specifically “one-time” donations.
3.36.075 Disbursements of contributions				
3.36.075	13	271-275	Updated: Disbursement frequency will be addressed in EGP rules. Clarified language and added final disbursement deadline.	Payroll deductions are disbursed to organizations as designated by the employee; actual deductions are not based on a proportion of original pledges.
		277-279	Deleted: Faulty language.	This section is not functionally possible. One-time payroll deductions come out of the first paycheck of the calendar year following the campaign; therefore it is impossible to disburse these funds “by the end of the calendar year in which the campaign is conducted.” Disbursement standards for direct checks collected during the annual giving drive will be addressed in the EGP rules.
1.36.040 King County Symbol, Logo, & Flag				
	13	286	Updated: Reference to “campaign.”	
3.12.222 Donation of Vacation or Compensatory Time to Nonprofits				
	14	300-301	Updated: Reference to “campaign.”	
		310-311	Updated: Reference to “campaign.”	
		311-312	Added: Cross reference language for clarification and align with KCC 3.36.	
4.08.345 Employee Charitable Campaign Contributions Fund				
4.08.345 A	15	315-316	Updated: Reference to “campaign.”	
4.08.345 B & C	15	317-320	Technical updates.	
4.08.345 D	15	321-322	Added: Technical update to clarify all receipts and donations go into this fund.	
4.08.345 E	15	323-327	Updated: Clarified language and updated references to “campaign.”	
4.08.345 F	15	328-331	Updated: Clarified language and updated references to “campaign.”	
3.04.XXX Employee Code of Ethics				
	15	332-335	Added: Makes ethics code consistent with ability of EGP to solicit gifts, donations, and bequests. (See page 7, lines 150-154)	
2.80.XXX Gifts, Donations, Bequests to County				

Section	Page	Line	Action: Description of Proposed Modification	Notes – Background Information
2.80.XXX	16	338-339	Added: Creates an exemption in KCC Chapter 2.80 for gifts, donations, and bequests, made for EGP purposes.	
4.08.015 First Tier Funds and Designated Fund Managers				
4.08.015	20	547	Technical change.	
	20	694	Updated: Fund name.	

PLACEHOLDER

Item 5

Proposed Ordinance 2012-0119

AN ORDINANCE relating to the King County Code; and amending Ordinance 13880, Section 19, and K.C.C. 1.03.040, Ordinance 13880, Section 20, and K.C.C. 1.03.050 and Ordinance 13880, Section 25, and K.C.C. 1.03.100 and repealing Ordinance 5962, Section 2, as amended, and K.C.C. 2.12.080.

**will be distributed
at the meeting.**

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KING COUNTY, WASHINGTON

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Debt Overview

May 8, 2012



King County's Debt Policies

County debt issuances are governed by various debt policies

- Formalized debt issuance policies are viewed favorably by rating agencies

County-wide debt policy:

- Adopted by motion # 12660 in 2007
- Provisions of the County's debt policy include:
 - Types of debt issued
 - Roles and responsibilities in the debt issuance process
 - Term of the debt and payment structure
 - Uses of debt
 - Refunding savings targets
 - Bond sale method

Other key debt related policies:

- General Fund – Annual debt payments are limited to 6% of GF revenues
- Wastewater
 - Variable rate debt limit of 15% of the amount of fixed rate principal outstanding
 - 1.25x debt service coverage for senior lien revenue bonds and “double-barreled” LTGO bonds
 - 1.15x debt service coverage for all debt



Debt Overview

What does the County borrow for?

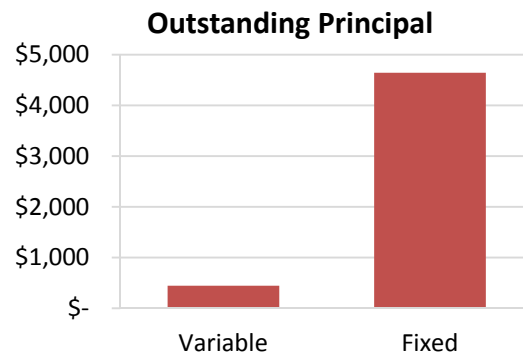
- Capital needs
- Not for operations
- Projects include:
 - General Government
 - Transit
 - Sewer
 - Solid waste
 - Roads
 - Parks
 - Open Space Preservation
 - Harborview
 - Stadiums



What Types of Debt Does the County Issue?

Type of Debt	Outstanding as of 5/1/2012
Limited Tax General Obligation (Councilmanic)	\$1,594,854,000
Unlimited Tax General Obligation (Voter-Approved)	\$170,730,000
Enterprise Revenue-Backed Debt	\$2,809,085,000
Lease Revenue (63-20)	\$385,525,000
State Loans	\$129,275,989*
Total	\$5,089,469,989

*Balance as of 1/1/2012



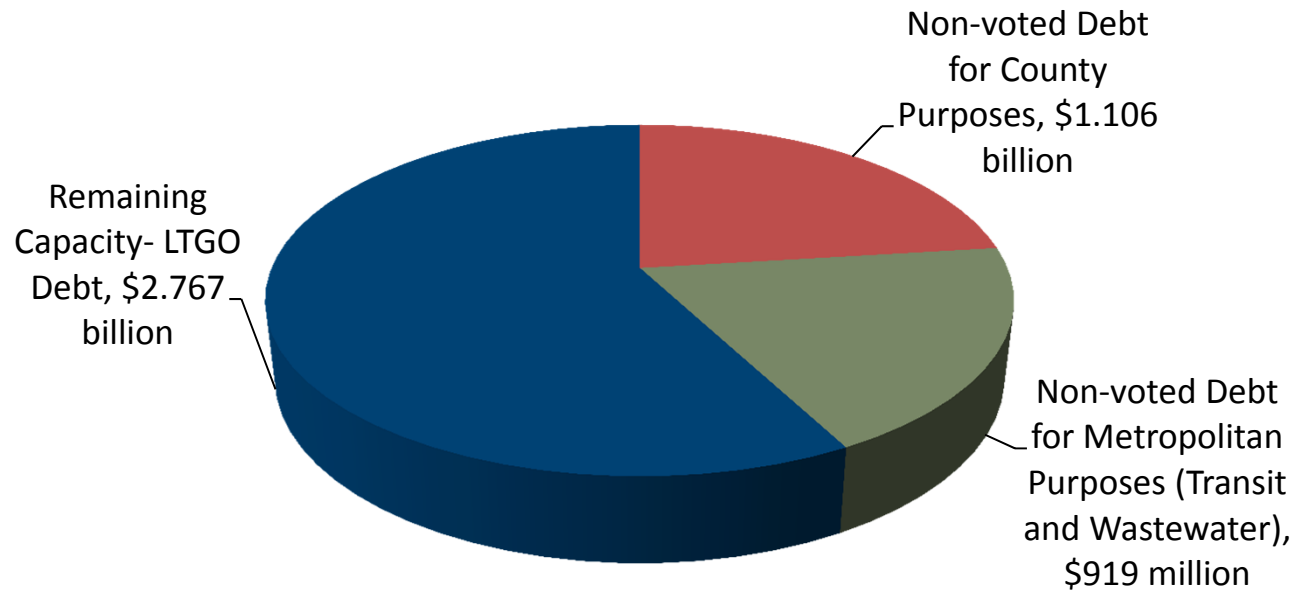
- County has no exposure to derivatives



OFFICIAL STATEMENT DATED APRIL 16, 2012	
New Issue	Moody's: Aa1
Book-Entry Only	Fitch: AA+
	Standard & Poor's: AAA
	(See "Other Bond Information—Ratings.")
<p>In the opinion of Bond Counsel, as of the date of issue of the Bonds (the "Date of Issue") and assuming compliance by King County with applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the Date of Issue, under existing federal law, interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of determining the federal alternative minimum tax imposed on individuals or corporations. However, under existing federal law, interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations. See "Legal and Tax Information—Tax Exemption—General" herein and Appendix A—Form of Bond Counsel Opinion hereto.</p>	
\$28,065,000	
KING COUNTY, WASHINGTON	
LIMITED TAX GENERAL OBLIGATION BONDS, 2012, SERIES B	
(FEDERALLY TAX-EXEMPT)	
DATED: DATE OF INITIAL DELIVERY	DUE: SEPTEMBER 1, AS SHOWN ON THE INSIDE COVER
<p>The King County, Washington, Limited Tax General Obligation Bonds, 2012, Series B (Federally Tax-Exempt) (the "Bonds"), are issuable only as fully registered obligations and, when issued, will be registered in the name of Cede & Co., as Bond owner and nominee for The Depository Trust Company, New York, New York ("DTC").</p>	
<p>DTC will act as initial securities depository for the Bonds. The Bonds will be issued initially in book-entry form only in denominations of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. The Bonds bear interest payable semiannually on each March 1 and September 1, beginning March 1, 2013, to the maturity or prior redemption of the Bonds. The principal of and interest on the Bonds are payable by the fiscal agent of the State of Washington, currently The Bank of New York Mellon in New York, New York (the "Registrar"). For so long as the Bonds remain in a "book-entry only" transfer system, the Registrar will make such payments only to DTC, which, in turn, is obligated to remit such principal and interest to the DTC Participants for subsequent disbursement to Beneficial Owners of the Bonds as described herein under Appendix E—Book-Entry System.</p>	
<p>The Bonds are being issued to provide long-term financing for a portion of the capital costs of constructing a moveable bridge over the Duwamish Waterway and related improvements and to pay the costs of issuing the Bonds.</p>	
<p>The Bonds are subject to redemption prior to maturity at the option of King County (the "County"), as described herein. See "The Bonds—Redemption."</p>	
<p>The Bonds are general obligations of King County, Washington (the "County"). The County has irrevocably covenanted that, for as long as the Bonds are outstanding and unpaid, it will include in its budget and levy an <i>ad valorem</i> tax within the constitutional and statutory tax limitations provided by law without a vote of the people upon all the property within the County subject to taxation in an amount that will be sufficient, together with all other revenues, taxes, and money of the County legally available for such purposes, to pay the principal of and interest on the Bonds as they become due. The County has irrevocably pledged its full faith, credit and resources for the annual levy and collection of such taxes and for the prompt payment of the principal of and interest on the Bonds as they become due.</p>	
<p>The Bonds are offered when, as and if issued, subject to approval of legality by Gottlieb Fisher PLLC, Seattle, Washington, Bond Counsel, and certain other conditions. The form of Bond Counsel's opinion is attached hereto as Appendix A. It is anticipated that the Bonds will be ready for delivery through the facilities of DTC in New York, New York, or to the Registrar on behalf of DTC by Fast Automated Securities Transfer, on or about May 8, 2012.</p>	
<p>This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.</p>	

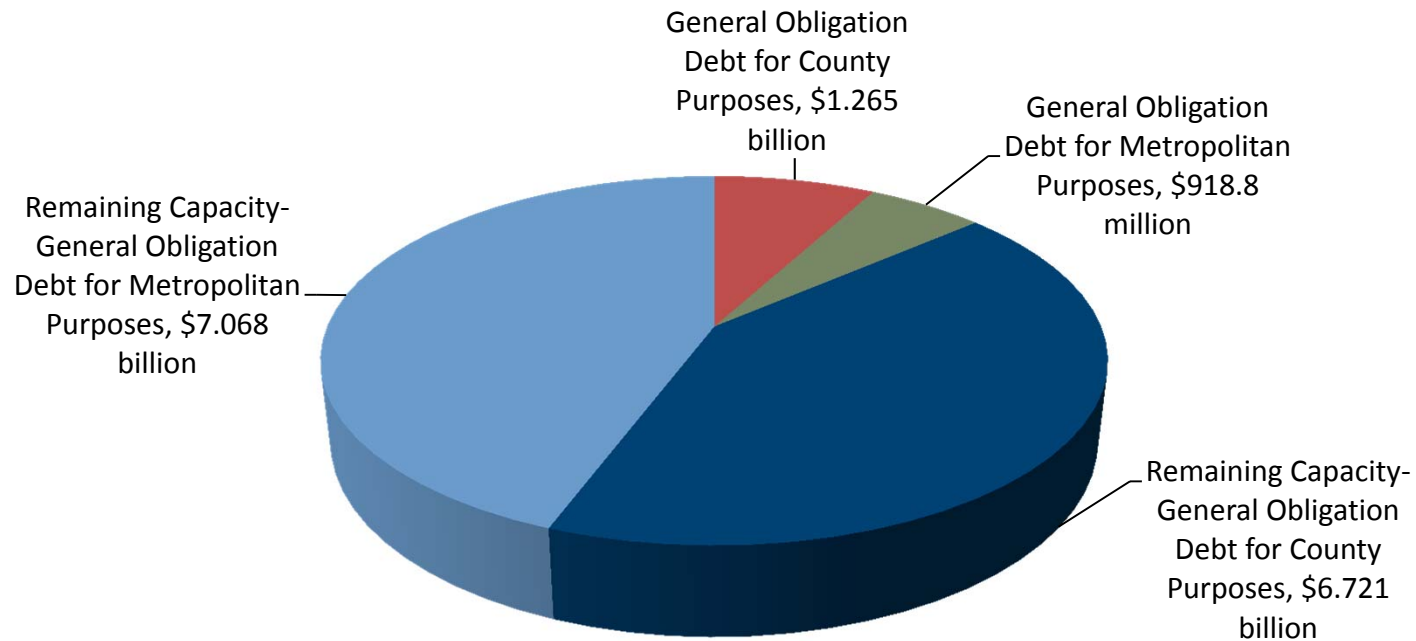
Total LTGO Debt Capacity (Councilmanic)

Total LTGO Capacity of \$4.792 billion



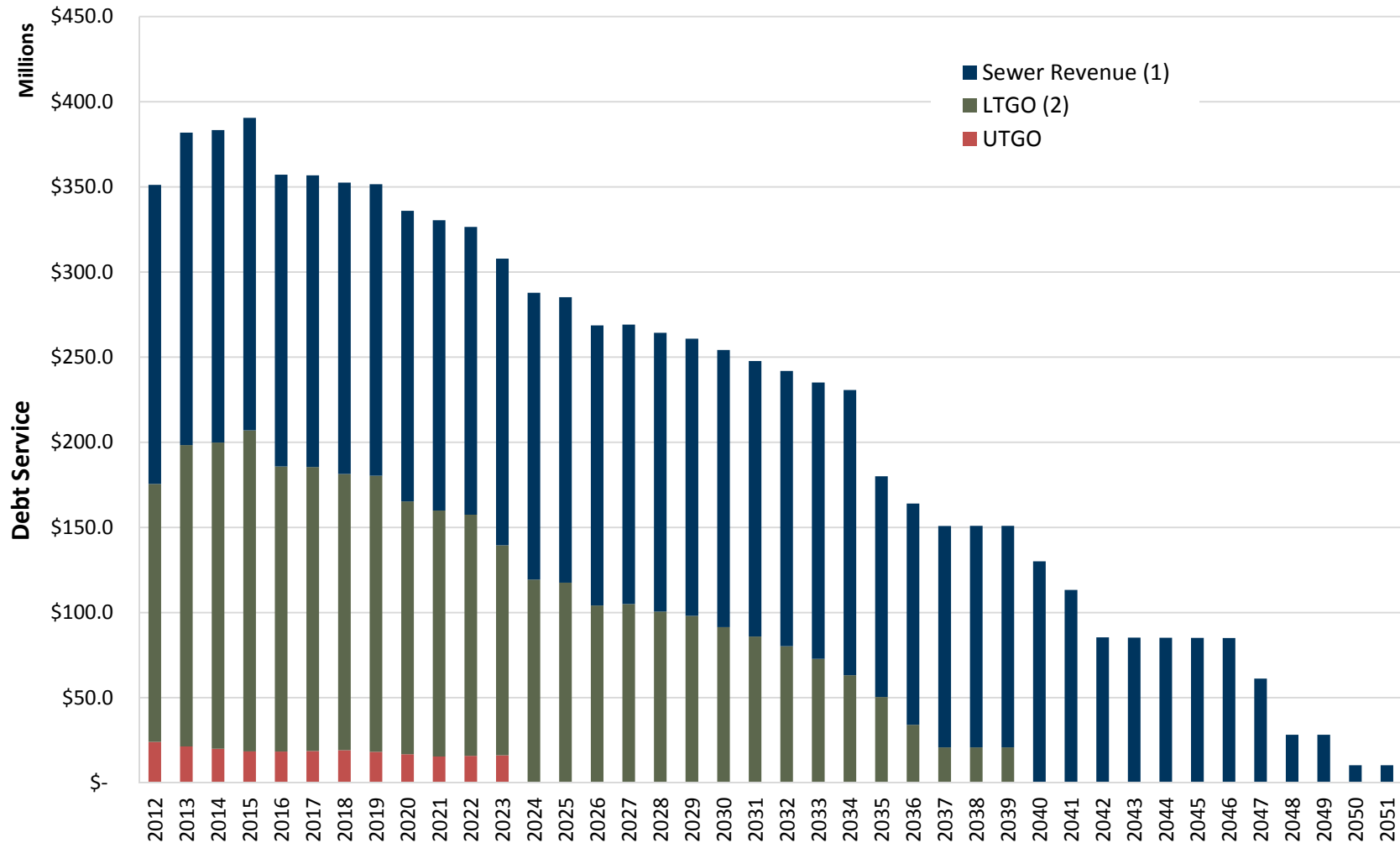
- 1.5% of assessed value
- Includes LTGO-backed lease revenue debt
- Does not include sewer revenue bonds
- This calculation reflects legal debt limit, not ability to pay (GF debt policy and other individual fund financial policies address this)

Total GO Debt Capacity



- Councilmanic and voter approved
- Examples of voter-approved bonds:
 - Forward Thrust
 - Harborview Capital Improvement Program

Total Fixed Rate Debt Portfolio

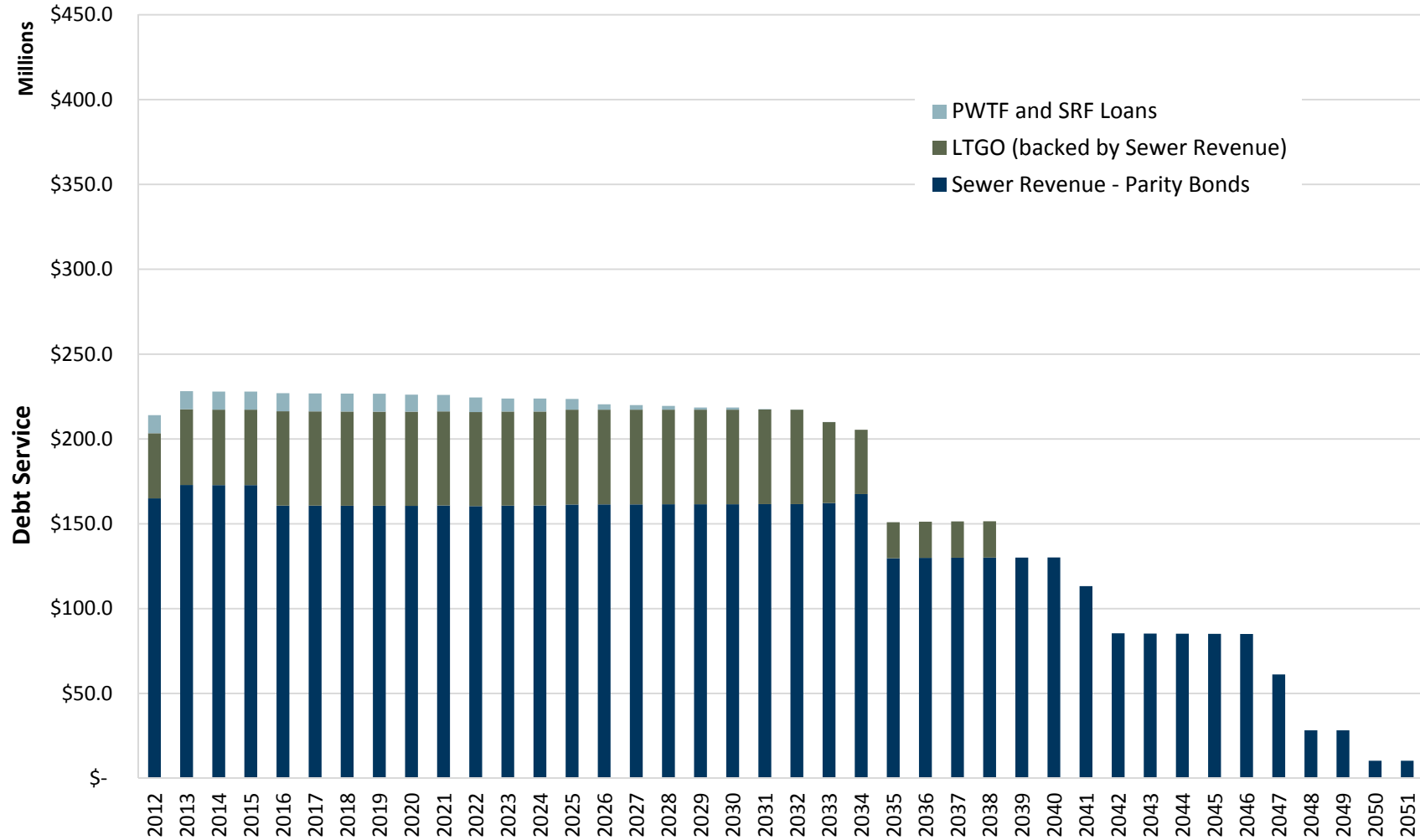


(1) January 1st payments are shown in prior year. Excludes LTGO bonds backed by sewer revenue.

(2) Includes LTGO bonds backed by sewer revenue and lease revenue bonds ("63-20" bonds).



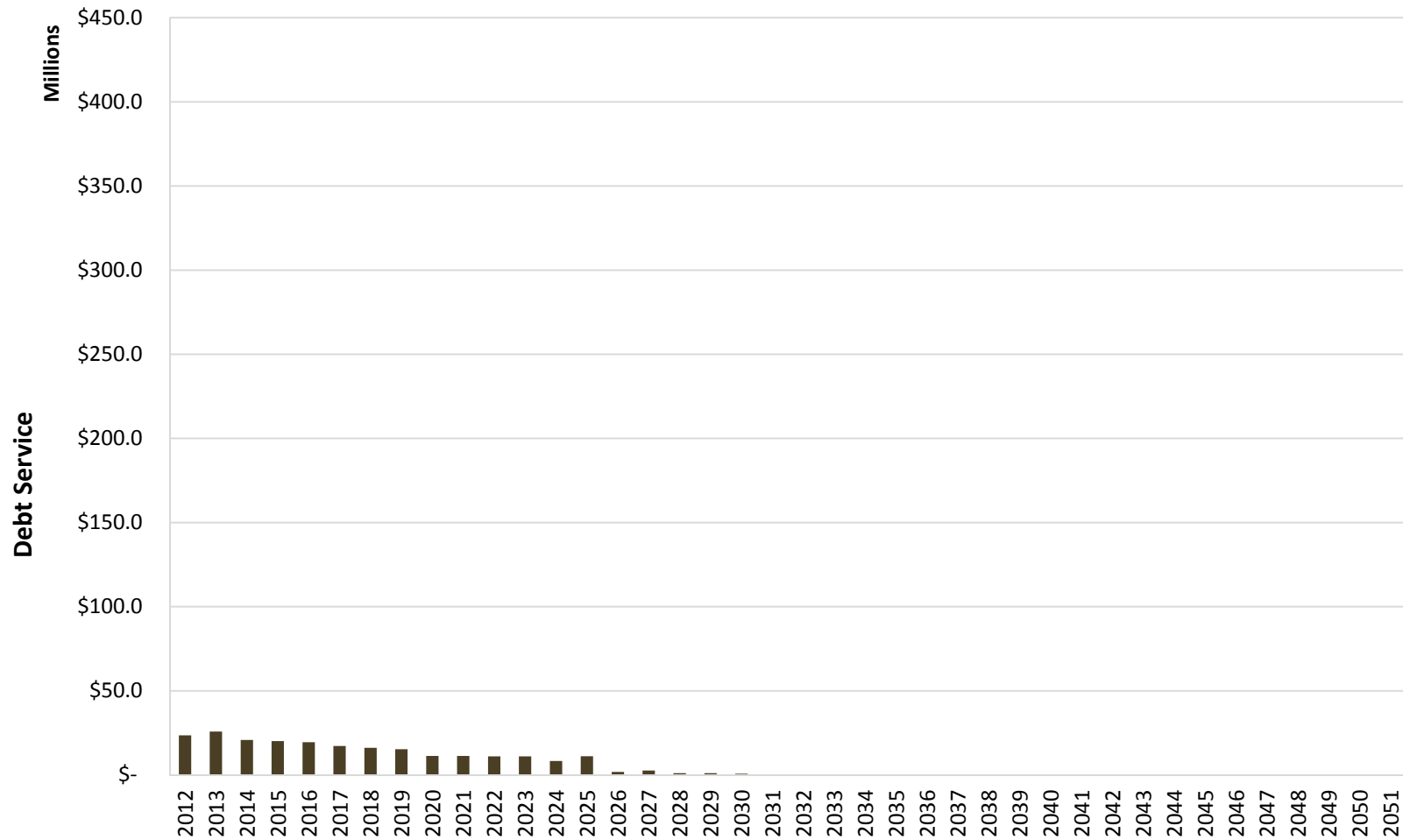
Sewer Fixed Rate Debt (1)



(1) January 1st payments are shown in prior year.



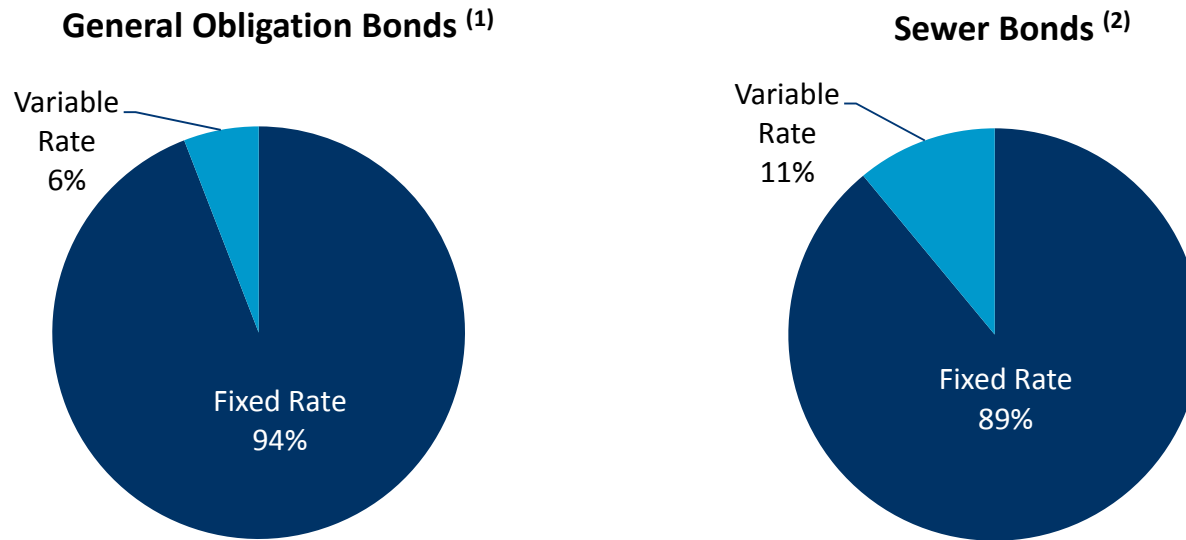
General Fund Debt (1)



(1) Excludes general obligation debt paid from lease revenue, sewer or other enterprise revenue, dedicated sales taxes and overhead charges.



Fixed vs. Variable Rate Debt

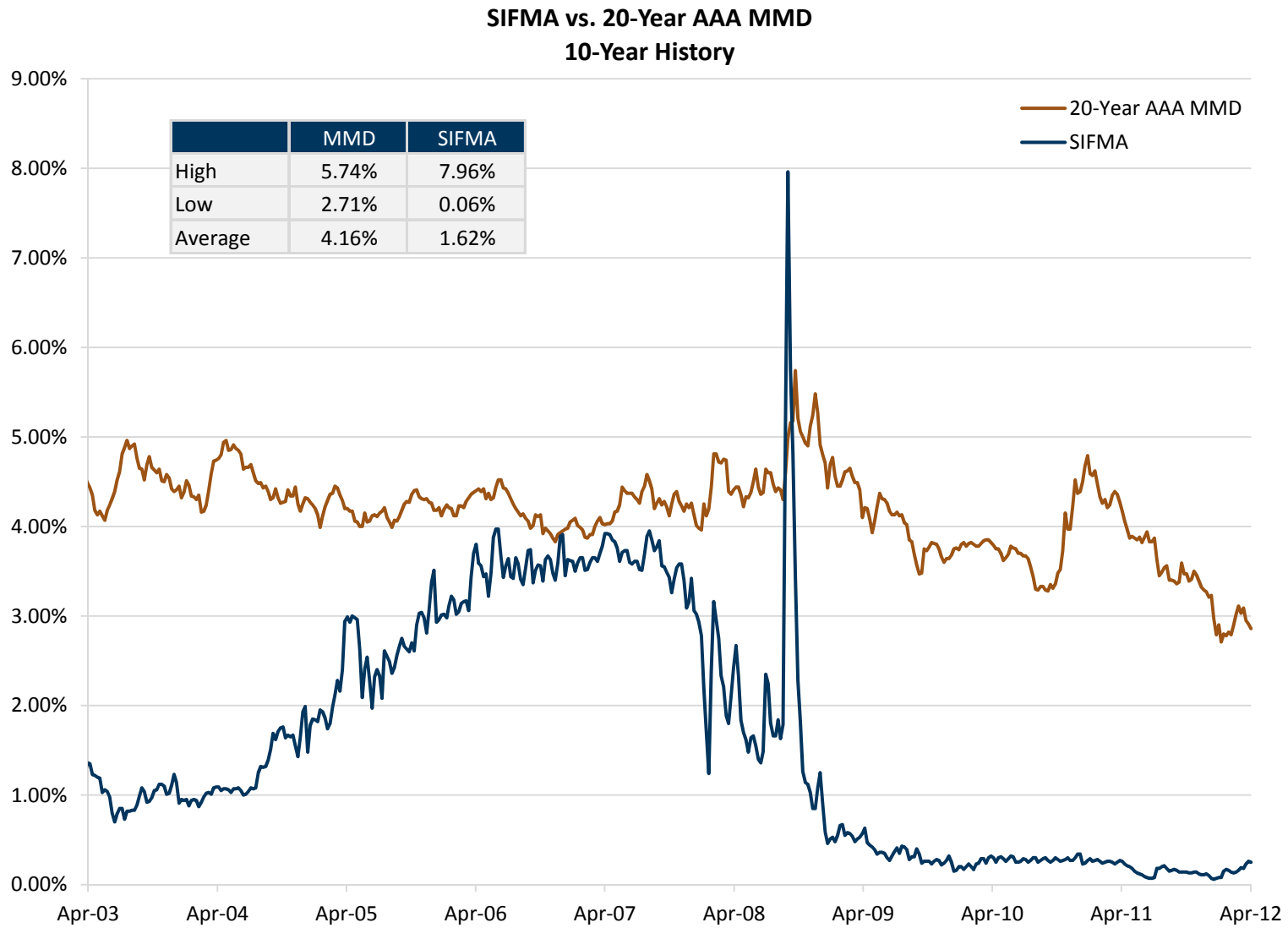


- Variable rate exposure is relatively limited compared to similar entities.
- What are the advantages of variable rate debt?
 - Provides offset for declining investment earnings in a low interest rate environment
 - Historically lower than fixed rates
- County's variable rate policies:
 - Wastewater - 15% maximum variable rate exposure

(1) Does not include LTGO bonds backed by sewer revenue or sales tax

(2) Includes LTGO bonds backed by sewer revenue

Difference between variable rates and fixed rates



Any Questions?





KING COUNTY AUDITOR'S OFFICE

Capital Projects Oversight

ACCOUNTABLE BUSINESS TRANSFORMATION (ABT) PROGRAM OVERSIGHT REPORT FOR FOURTH QUARTER 2011



CURRENT RISK RATING ▼ The new finance and payroll systems went live on January 3, 2012. More than three months later, the finance system is not stable. Work assignments for key personnel have been extended to provide post-production support for agencies and to correct high priority system defects. ABT plans to use all appropriated contingency funds. We recommend development of a work plan for ABT's successor, the Business Resource Center.

PROJECT STATUS ● = No Current Concerns ▼ = Attention Needed ◆ = Corrective Action Needed

● **Scope.** There have been no scope changes this quarter.

● **Schedule.** Four of five new ABT systems are now live. Finance system is not yet stable.

System Projects	Council-Approved Go Live Schedule	Current Forecast	Comments
Human Capital Management (HCM)	9/2/09	3/16/10 (actual)	Go live occurred 6½ months late
Payroll, Time and Labor (PTL) Group 1	1/3/11	1/3/12 (Actual for all groups)	One-year delay
PTL Groups 2 and 3	Group 2 - 7/3/11		Six-month delay
	Group 3 - 1/1/12		No delay
Finance	1/1/11	1/3/12 (actual)	One-year delay
Budget (Operating and Capital)	4/1/12	3/1/12 (actual)	Go live occurred consistent with the most recent forecast of 2/28/12
Performance Management	12/31/12	8/2012	Completion of proof of concept pilot reflects a two-month delay from previous forecast
		12/2012	Completion of countywide plan

▼ **Budget.** ABT's forecast costs at completion do not show planned use of remaining contingency.

Budget Category	Council-Approved Budget	Expenditures thru December 2011*	Expenditures as % of Approved Budget	Forecast Costs at Completion**	Forecast Variance from Approved Budget
Planning	\$9,032,857	\$8,675,923	96%	\$8,675,923	(\$356,934)
Implementation	64,685,283	55,155,076	85%	65,042,217	356,934
Contingency	12,919,007	2,736,446	21%	12,454,247	(464,760)
Total	\$86,637,147	\$66,567,445	77%	\$86,172,387	(\$464,760)

*From county legacy finance system. ** From ABT 4th Quarter 2011 Report.

▼ Issues and Risks.

- The finance system has numerous unresolved work items that need to be addressed in order for the system to be stable. Additional agency support and data correction is also needed. The level of effort needed is not quantified.
- Staff resources decreased significantly after April 1, affecting level of service to agencies.
- Additional resources through extension of critical positions may not be adequate to stabilize the finance system and provide needed agency support.
- Continuing unresolved work items and lower level of support service could result in adverse business impacts to county and external agencies until the finance system is fully stabilized.

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King County Auditor's Office – Cheryle Broom, County Auditor

The King County Auditor's Office was created in 1969 by the King County Home Rule Charter as an independent agency within the legislative branch of county government. Its mission is to promote and improve performance, accountability, and transparency in King County government through conducting objective and independent audits and services.

Capital Projects Oversight Program – Tina Rogers, Manager

The Capital Projects Oversight Program (CPO) was established within the auditor's office by the Metropolitan King County Council through Ordinance 15652 in 2006. Its goal is to promote the delivery of capital projects in accordance with the council approved scope, schedule, and budget; and to provide timely and accurate capital project reporting. CPO oversight reports are available on the auditor's website (www.kingcounty.gov/auditor/reports) under the year of publication. Copies of reports can also be requested by mail at 516 Third Avenue, Rm. W-1033, Seattle, WA 98104, or by phone at 206-296-1655.

**ALTERNATIVE FORMATS AVAILABLE UPON REQUEST
CONTACT 206-296-1655 OR TTY 206-296-1024**

INTRODUCTION

This is the thirteenth oversight report prepared for the Government Accountability, Oversight and Financial Performance Committee by the Capital Projects Oversight (CPO) Program. Our report comments on the Accountable Business Transformation (ABT) Program's March 2012 report, which focuses on fourth quarter 2011 as well as the stabilization period¹ activities following the January 2012 go live for the finance and payroll systems.

The purposes of this report are to: (1) report on the status of ABT projects; (2) provide an update on the ABT Program budget; and (3) identify the issues and risks that may present obstacles to stabilizing the new systems and completing remaining work to fix deficiencies and provide intended functionality.

We continue to show the overall risk level as yellow. According to the ABT Program manager, while the payroll system might be reasonably stable as planned by the end of March, the finance system "is far from stable," and it may take until the end of the year to achieve "true system stabilization" for both systems. This extended time period for continued post go live stabilization work has required extending ABT Program staff assignments, contract labor, and consultant implementer resources, which triggered the need to use all of the remaining ABT Program contingency. We do not know at this time whether the planned additional resources and expenditure of contingency funds will be sufficient to bring stability to the two systems by the end of the year and provide ongoing support to agencies with a reasonable level of service. We also do not know the extent to which this extended stabilization period will impact agency business operations and realization of anticipated benefits.

This is our final quarterly oversight report to the County Council. Now that four of the five ABT projects have been implemented, our focus has turned to producing a final oversight report to be published later this year. The final report will: (1) assess the results of the ABT Program in terms of scope, schedule, budget, and agency satisfaction with the systems; (2) document the lessons learned during the ABT Program implementation and stabilization periods; (3) document the plans for any remaining work; and (4) make recommendations that might be useful to future technology projects or countywide projects in general.

¹ ABT's stabilization period was planned for three months, from go live through April 2. Stabilization refers to the period following the implementation of an information technology (IT) system. During that time, system defects are identified and fixed, and system functionalities are validated. Users learn to use the new tools, and business process and data is verified. For major IT systems that span an entire organization, such as ABT, stabilization periods typically last from three to nine months.

STABILIZATION OF FINANCE AND PAYROLL SYSTEMS

April 2 marks the end of the 90-day post-production support period and the official transition of ABT support to the Business Resource Center (BRC). Additional system stabilization is required, and post-production support will continue, but there will be some changes from the current support levels given the planned reduction in staffing.

Finance Project: Go live for the new finance system occurred on January 3, 2012, meeting the target date established when the schedule was reset in September 2010. The planned three-month post-implementation stabilization period has passed, although numerous technical and functional problems remain unresolved and will require additional stabilization efforts to correct. According to the ABT Program manager, the system is far from stable, and additional resources will be needed to work on the solutions for critical identified problems. As of March 22, the ABT Program manager planned to extend 19 staff and contractors for a total of 92 person months and four Ciber staff for a total of 19 person months to support finance system stabilization.

There were some major functional and technical problems after go live, as expected, due to deferring fixes of known defects. Additionally, ABT identified many additional defects and problems after going live, and agencies experienced problems gaining access to the systems, using workflow approvals, completing purchase orders and making timely vendor payments. Agency end users need training and support for inquiry and reporting functions to meet their business needs. ABT Finance Project resources are providing training and are working to address needed modifications in these areas. In addition, work to confirm the validity of report results continues, as this level of testing did not occur prior to go live. Issues with side system interfaces remain and one still requires a redesign and further testing.

While ABT is measuring progress, the finance system is not yet stable. ABT is tracking counts of Help Desk tickets of initial inquiries and requests for work (RFW) when additional development work is needed. ABT is categorizing the RFWs by criticality to set work priorities. The number of unresolved requests for work continues to grow at approximately the same rate as they have since go live. As of March 23, there are 198 outstanding requests for work on the finance system, eight percent of which were designated as emergency level priority. This is down from 33 percent when the quality management consultant reported in February that “while some RFWs are to be expected, we are very concerned with the large number of RFWs that appear to be essential to the continued operation of the system.” ABT is also tracking the amount of time that RFWs are open, which has been decreasing steadily, currently averaging 21 days.

PTL Project: The payroll, time, and labor (PTL) system went live on January 3, 2012, meeting the target date established when the schedule was reset in September 2010. The planned three-month post-implementation stabilization period has passed. Post go live, PTL also experienced problems with security and workflow, but overall issues were fewer and less critical than those experienced with the finance system.

One measure of payroll performance that ABT monitors is the number of paychecks that need to be created manually. As of March 9, the quality management consultant reported that the PTL system had achieved a significant accomplishment by successfully producing four biweekly and four semimonthly payrolls, with no significant increase in manual checks. PTL team has

worked to fix any system configurations and programming errors related to payroll calculations. ABT will continue to monitor this metric, and work to further diminish the number of manual paychecks over time.

ABT is measuring considerable progress in addressing PTL system issues. There were 115 unresolved RFWs for PTL as of March 23 with just two percent designated as emergency level. The average time that emergency RFWs are open is down to four days for PTL. ABT continues to provide more intensive support to the agencies with the most complex payroll calculations, King County Sheriff's Office and Department of Adult and Juvenile Detention.

Although ABT management reports that the PTL system was stable as planned by the end of March, eight key staff and contract resources have been extended for short periods to assure that agency support continues, and RFWs are able to be resolved in a timely manner. In total, these are equivalent to 36 person months of added resources to support agencies and the payroll system.

While agency payroll clerks had difficulty meeting payroll cutoff dates initially, agencies are now able to meet these deadlines. ABT reports that the central payroll staff in the Finance and Business Operations Division (FBOD) continue to experience heavy workloads, although diminished somewhat, as agency payroll clerks become more proficient with the new systems. Providing ongoing support to agencies with complex payroll issues and continuing to produce both semimonthly and biweekly pay cycles requires FBOD central payroll staff to constantly manage heavy workloads. This leaves little down time between pay cycle deadlines for conducting necessary and routine work.

In addition to the staff extensions identified specifically for the two systems, there are resources being added for overall program functions including communications and training that will help support agency needs. These include six personnel for a total of 23 person months.

STATUS OF OTHER ABT PROJECTS

Budget Project: The Hyperion budget system went live on March 1, with the Office of Performance Strategy and Budget (PSB) preparation of the County Executive's 2013 pro forma budget, setting the baseline for county agencies' 2013 budget requests. All county agencies are now using the system to prepare their requests, which are due to the County Executive on June 4. The County Council will use the system during its review of the County Executive's proposed budget, beginning in mid-September.

The March 1 go live date is consistent with the previous forecast of February 28, 2012. There has been a delay in PSB's completion of the pro forma budgets, caused by system access issues and the need to augment training that ABT had provided late last year. Agencies found the budget system training in 2011 to be insufficient.

There is, however, some interface issues between Hyperion and both the finance and Human Capital Management (HCM) systems that need to be quickly addressed to ensure the accuracy of budget, expenditure, and position data used in 2013 budget process. As recently reported by the quality management consultant, the interface between the budget and finance system is not working properly, and there are some data integrity issues with the interface to HCM.

As the business owner, PSB is taking an active role in establishing business process changes related to the preparation of the 2013 proposed budget. Documentation of issues and decisions related to budget business practices is available on the ABT website, providing up-to-date information from weekly decision-making meetings.

Performance Management Project: During this quarter, ABT, PSB, and the County Executive clarified roles and responsibilities and continued to work together to develop the overall approach for the definition and implementation of the countywide performance management and accountability system that is the foundation of ABT's work on this project. This work is included in ABT's Performance Management Project deliverables: current state documentation; performance management vision; and a preliminary design draft. ABT's performance management implementer, Business and Technology Resources Group (BTRG), will continue to work with PSB and the ABT team to begin and complete its next deliverable, the proof of concept pilot.

The proof of concept is designed to demonstrate how the concepts in the vision document can be implemented, including where the various components can be supported by software. The pilot will involve a few select county agencies and will involve learning more about off-the-shelf software and the extent to which available software can be leveraged to meet the County's needs. The project schedule has been revised to complete this milestone by August, two months later than initially planned.

BTRG's final deliverable, a countywide implementation plan, is reported to be on schedule for completion by the end of the year. The plan will define a strategy for a request for proposal for purchasing and implementing software for a countywide performance management system. Funding for purchase of the software and countywide implementation work beyond these planned activities for 2012 is not included in the ABT budget appropriation.

For the past several months, there have been extensive discussions and some concern over the content of the Performance Management Project deliverables and the nature of the project's leadership team. PSB, as the principal business owner of the future performance management system, has taken a more active leadership role in managing the deliverables and facilitating interactions with the project's leadership team and work groups. The leadership team has recently been expanded to include council staff and several agency representatives. In addition, PSB has been taking a lead role in communicating the vision and approach for the components of the County's performance management effort. BTRG remains responsible for key deliverables, the proof of concept and the countywide implementation plan.

Although not part of ABT's scope, it is important to note a related initiative that is underway concurrently. PSB is conducting a pilot test for a conceptual business process known as line of business planning. Line of business planning focuses on defining and delivering products, consistent with strategic plan goals, which will connect the cost of delivering services to performance measures. PSB has selected four agencies to conduct line of business planning as a pilot test to be completed before the end of the year. County Council will participate in the line of business planning for two of the agencies.

STATUS OF BENEFITS REALIZATION

ABT plans to gather information from agencies in May to update the calculation of actual benefits realized from the business process changes and use of the new systems and compare them to the planned benefits. ABT plans to compile and publish the update in August. Benefits, in general, are not projected to occur until one to two years after the availability of the each new system. Initially, it is reasonable to expect some loss of efficiency when a new system is put on line, while staff becomes proficient with use of the new systems. Therefore, it is not likely that much of the anticipated benefits from staff efficiencies will be measurable from the PTL and finance systems by May, especially given that agencies have not fully implemented business process changes. However, this update will include two full years since the HCM system has been available, providing an assessment of the benefits realized from that system compared to the plan.

STATUS OF ABT PROGRAM BUDGET

Although ABT Program spending continues to lag behind the planned expenditure rate, it is prudent for ABT to plan to use all remaining contingency funds to augment planned resources. As shown on the cover page, through December, ABT has spent approximately \$66.6 million or 77 percent of the appropriated budget for the program. This is up from 65 percent at the end of the previous quarter, representing the highest quarter to quarter increase in percent of budget spent on the ABT Program to date. Despite the increased spending level, actual expenditures continue to fall below the planned expenditure plan, lagging by approximately \$4.7 million at the end of February. A chart showing actual vs. planned expenditures since the budget was reset in March 2011 can be seen on Attachment A. ABT has not yet made final payments to Ciber for finance and PTL system implementation work. This includes the 12 percent retainage, which is held until satisfactory completion of all system work. When these final payments are made, actual expenditures will more closely align with planned expenditures.

Given that the remaining work to stabilize the systems will require additional resources and take longer than anticipated, ABT is expecting to need to use all of the appropriated contingency. In accordance with the requirements under Ordinance 16725, the County Executive notified the County Council on April 2 that the program planned to use the \$464,760 of contingency funds that they had previously forecast as unneeded. Our assessment is that it appears reasonable to plan for use of the remaining contingency funds, based on expenditures to date and ABT's projected costs for additional resources needed to help stabilize the new finance and payroll systems and provide ongoing support to county agencies for an extended period of time. Later in this report, we identify a risk that the planned additional resources may not be adequate to accomplish the intended work.

The table below shows how the current forecast cost at completion has changed since the budget was reformatted in the fourth quarter of 2010, but it does not reflect the planned use of the remaining \$464,760 of contingency funds described above. The unspent funds from delivering the HCM system at 19 percent under budget and the projected use of approximately \$12.5 million contingency funds support increased costs forecast for other projects. Most notably the forecast changes show the highest *percentage* increase for the Budget and Performance Management Project and the highest *dollar* increase for the Finance Project.

ABT Forecast Costs at Completion

Council Appropriations	Council-Approved Budget	ABT Reformatted Budget 4 th Q 2010	ABT Program Forecast Costs at Completion		
			Current*	\$ Change from 4 th Q 2010	% Change from 4 th Q 2010
PLANNING	9,032,857	9,032,857	8,675,923	(356,934)	-4%
IMPLEMENTATION					
Finance	29,097,703	24,340,191	29,671,234	5,331,043	22%
HCM	10,238,471	7,232,823	5,867,189	(1,365,634)	-19%
PTL	20,424,577	13,844,941	17,056,491	3,211,550	23%
Budget/ Performance Management	4,834,286	4,294,097	5,702,383	1,408,286	33%
Benefits Realization	-	-	450,296	450,296	cannot calculate
PMO/Other	90,246	14,973,231	18,748,872	3,775,641	25%
IMPLEMENTATION SUBTOTAL	64,685,283	64,685,283	77,496,465	12,811,182	20%
PLANNING AND IMPLEMENTATION TOTAL	73,718,140	73,718,140	86,172,388	12,454,248	17%
UNRELEASED CONTINGENCY**	12,919,007	12,919,007	464,760	(12,454,247)	-96%
GRAND TOTAL	\$ 86,637,147	\$ 86,637,147	\$ 86,637,147	\$ 0	0%

*Last updated in ABT 3rd Quarter 2011 report. ** Does not reflect the planned use of remaining \$464,760 contingency; notification was received by County Council on April 2, 2012.

ISSUES AND RISKS

Our previous oversight reports have identified issues and risks that were potential obstacles to implementing the new ABT systems within scope, schedule, and budget. From the beginning of our reporting, the themes have been consistent. We have raised concerns about keeping the project teams fully staffed to remain on schedule, ensuring active participation from county agencies both in identifying system requirements to meet their business needs and in readiness activities to prepare for the use of the new systems, and the impact of deferring finance system fixes until after go live. For these risks and others, the ABT Program consistently had mitigation plans in place to address the risks.

Now that the new systems have been implemented, we turn our attention in this final quarterly oversight report to issues that are potential obstacles to stabilizing the new systems. Workload demands on remaining functional, technical, and management resources continue to be very

high, and time to proactively develop mitigation strategies to address these risks and avoid potential impacts to agency business operations is limited.

1. The number of unresolved work items continue to grow and will need to be addressed for systems, particularly finance, to be stable. Additional agency support and data correction is also needed. The level of effort to resolve these work items is not quantified.

As noted above, the number of unresolved issues related to finance in particular and PTL, to a lesser extent, have continued to grow. In finance, the rate of growth in unresolved requests for work matches the same rate as when the system went live. PTL unresolved cases increased in the second half of March, after dropping off significantly in February and early March. Additionally, providing agency support and correcting system data is requiring a higher level of ongoing support than ABT anticipated.

While ABT collects data on all requests for work, classifies their priority, and tracks when they are opened and resolved, ABT does not estimate in advance nor document actual experience of how much *effort* is needed to resolve requests. ABT tracks the actual number of days taken to resolve a work item to measure how quickly they are clearing backlogged work items; however, they do not document the number of people or number of hours spent working on an item. ABT's work load planning could benefit from a system to capture and use actual experience to help in creating reasonable estimates of level of effort needed to address future work items.

The quality management consultant has raised concerns that if resources are not sufficient, unresolved RFWs will grow, rather than decline as needed to stabilize the system. Also, given that agencies reported they were not fully prepared to use the systems at go live, ongoing training and intensive agency support continued throughout the planned 90-day stabilization period. The number of Help Desk calls indicate a continuing need for agency support to use the new systems and to design and implement needed changes to their business processes.

The implication, here, is that without better information and a plan that more specifically correlates to the number of hours needed to ensure closure of prioritized work items, ABT cannot predict their staffing needs for this portion of their work over time, nor whether the staffing for the Business Resource Center is adequate overall to sufficiently support the system and its users. This is further discussed in the next issue.

2. Business Resource Center's (BRC) staffing for 2012 may not be adequate to stabilize new ABT systems and provide a reasonable level of support to county agencies.

Staff resources decreased significantly on April 1 when the ABT Program transitioned to the BRC, the new entity in the Department of Executive Services created to provide ongoing operations and maintenance services for the new ABT systems. The adopted 2012 budget provides for 41 FTEs for ongoing operation and maintenance of the new ABT systems. This number was established in 2008 as part of the ABT Detailed Implementation Plan and represents a combination of new positions and transfers of existing positions from the Finance and Business Operations Division and Department of Information Technology.

As of March 28, 39 of the 41 BRC positions were filled. The ABT Program Manager Mike Herrin was hired as the new manager for the BRC, and the ABT Program Deputy Manager Marjorie Mills was hired as the new BRC support manager.

The declining resources come at a time when much work remains to be done, largely related to the finance system, and when county agencies need continued support to learn how to use the new systems effectively. In September 2011, when operating close to peak levels, ABT had 85 positions, in addition to considerable consultant resources from the ABT system implementers Ciber and BTRG. Prior to March 31, there were six ABT agency coordinator positions dedicated to supporting county agencies. Without these positions, agency support will fall on a few key BRC staff who will not be able to maintain the level of service agencies were receiving.

As noted above, the ABT Program manager is planning to extend 33 staff and contractors for a total of 152 person months and by contract amendment keep four Ciber staff for a total of 19 person months longer to support the finance and payroll system stabilization, some through the end of the year. These numbers are based on plans developed in mid-March and may have been revised upward since. The BRC manager continues to assess the resource needs and may further adjust departure dates for critical staff positions.

The BRC is beginning work on their project management processes and an approach and template to guide their work plan development. Absent a comprehensive BRC work plan, it is not clear whether the added resources are sufficient to complete the work. It is unknown whether the planned BRC and extended ABT staffing will be enough to provide a reasonable level of service to help agencies maximize their use of the systems. It is unclear whether the enhanced resources and post-implementation support activities will be adequate to keep county and external agencies from experiencing impacts to their business during the early months of using the new systems.

Recommendation: While we recognize that the ABT has been operating in “crisis mode” for the past few months responding to emergency and critical system problems, given the status of the two related issues described above, we recommend the following:

The BRC should move quickly to complete a written work plan to identify schedule and resources to address deferred finance and payroll system work, stabilization work, agency support, and ongoing work to facilitate business process changes.

This work plan will be useful in assessing whether BRC resources are appropriate for achieving the desired results by the end of 2012 and for sustaining a reasonable level of service in 2013.

3. Continuing unresolved work items and a lower level of support service could result in adverse business impacts to county and external agencies until the finance system is fully stabilized.

At this point, we do not know to what extent continued problems with the finance system identified in this report might have systemic effects on county agency and external agency business operations. Some loss in productivity is to be expected when new systems are

implemented, and ABT clearly and repeatedly communicated this to agencies last year. While agencies may have been prepared for or able to tolerate a three-month stabilization period, ABT is now predicting that stabilization will take twelve months. In addition, the extended stabilization period might push functionality improvements and system enhancements (needed to better support agency efficiency and business operations) further into the future than desired.

To augment ABT performance metrics, we plan to survey agencies during the next quarter to assess the level of satisfaction with the new ABT systems, how well the systems meet their business needs, and to document impacts, if any, to business operations.

ACKNOWLEDGEMENTS

We conduct our oversight through monthly meetings with a working group of staff from the ABT Program, County Auditor, County Council, and Office of Performance, Strategy and Budget (PSB) and through other meetings as needed. We also review and conduct independent analysis where appropriate on formal reports and other documentation provided by the ABT Program. In addition, we coordinate our oversight efforts by reviewing the reports of the Project Review Board and Pacific Consulting Group (PCG), the quality management consultant that reports directly to the ABT Program sponsor.

We appreciate the collaborative efforts of the staff from the ABT Program and PSB for their input to effective oversight of the ABT Program and their responsiveness despite the continued heavy demands on their resources. We also appreciate the assistance from PCG and the staff of the Project Review Board towards coordinated oversight of this important countywide program. This report was prepared by Ron Perry, Tina Rogers, and Shelley Sutton. Should you have questions or comments on the report, please contact Tina Rogers, Capital Projects Oversight Manager or Ron Perry, Deputy County Auditor.

DISTRIBUTION

King County Government Accountability, Oversight, and Financial Performance Committee

cc: Metropolitan King County Councilmembers

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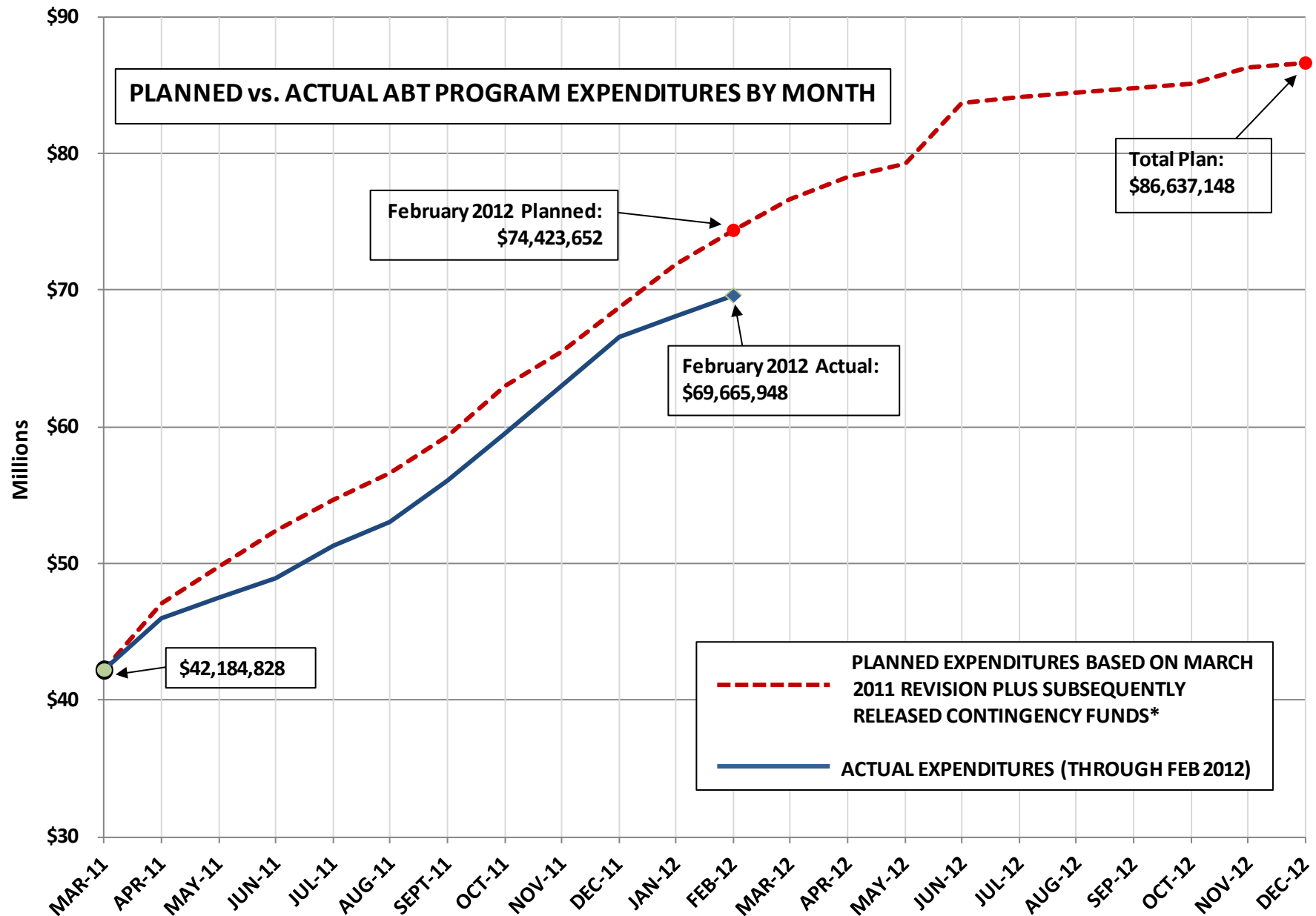
Mike Herrin, ABT Program Manager, DES

Pat Hamacher, Policy Staff, Metropolitan King County Council (MKCC)

Jennifer Giambattista, Policy Staff, MKCC

Robert Fuller, Senior Associate, Pacific Consulting Group, Inc.

ATTACHMENT A



*Plans to use an additional \$2,464,760 of contingency funds occurred after ABT's March 2011 revision to the expenditure projection, which CPO is using as a reset baseline for monitoring. CPO revised the planned expenditure line by adding these contingency funds based on a uniform rate of expenditure from the month following each of two notices to County Council through December 2012.



King County

Oversight of Accountable Business Transformation Program (ABT)

Report to Government Accountability,
Oversight and Financial Performance Committee

King County Auditor's Office
Tina Rogers, Capital Projects Oversight Manager
May 8, 2012



Highlights

- Major milestone – payroll and finance systems live on Jan. 3
- System operation transferred to Business Resource Center (BRC)
- Risk level- remains at yellow- attention is needed to address implementation issues
- Payroll system producing accurate and timely payrolls
- Finance system not stable in planned 90 days
- Extended key staff and consultant resources
- Plan to use all contingency funds



Stabilization Period- Payroll

- Payroll system (PeopleSoft software) is producing accurate and timely payrolls, countywide
- Most agencies meeting deadlines without significant additional help
- Workload is heavy for central payroll staff
- Continue to identify requests for work (RFWs)—but able to resolved in timely manner
- Extending assignments for 8 people



Stabilization Period- Finance

- Finance system (Oracle EBS software) is not stable
- Growing number of RFWs, considerable time to resolve
- However, final report from Quality Management (QM) consultant acknowledged progress on critical issues
- QM consultant also noted that agency reporting needs will require effort for an extended period
- Extending assignments for 23 people for finance plus 6 in the program management office



Remaining Project- Budget

- Budget system (Hyperion software) met schedule target
- 2013 pro forma budget in new system available on March 1
- Agencies using new system to prepare 2013 budget requests
- Some issues - impacts, if any, to budget preparation unknown at this time:
 - Interface issues with EBS and PeopleSoft
 - Training continues
 - Recent security/access and system reliability issues



Remaining Project- Performance Management

- Clarified roles and responsibilities
- Clarified countywide approach
- Two pilots underway
 - ABT lead- test approach and software availability
 - Office of Performance, Strategy and Budget lead- product-focused line of business planning
- Final ABT deliverable- a countywide plan, due December 2012



Current Risk 1

BRC work load is growing and is not quantified

- Number of unresolved RFWs continues to grow, especially for Finance
- Data correction is ongoing
- Agency support needs continue to challenge available resources
- Level of effort needed to finish the work and stabilize the system is not quantified
- Cannot estimate staffing needs with certainty



Current Risk 2

BRC staffing may not be adequate

- As planned, ABT and consultant staffing decreased significantly in April
- Staffing level assumed stable systems 90 days after go live
- Planned 41 FTEs not adequate
- 37 people will be kept longer- on average about 4.5 months



Current Risk 3

Could be adverse business impacts until Finance is stable

- Some loss of productivity was expected- clear communication from ABT
- Agencies expected 3-month stabilization period- now told finance system may not be stable for up to 12 months
- Unknown to what extent continued problems with Finance might have systemic negative effects on business operations
- Functionality enhancements to better support efficient business operations- will need to wait



New Recommendation

- The BRC should move quickly to complete a written work plan to identify schedule and resources needed to address:
 - deferred finance and payroll system development
 - stabilization work
 - agency support
 - ongoing business process change facilitation



Oversight Focus

- Final scope, schedule, budget and customer satisfaction results
- Benefits realization results to date
- Lessons learned
- Remaining work to fully implement or meet county agency needs
- Recommendations for the BRC and for future similar capital projects



ABT Program Oversight

The King County Auditor's Office sincerely appreciates the cooperation of the ABT Program management and staff and from the quality management consultant, PCG, whose final report was published in April.



King County

Government Accountability, Oversight and Financial Performance Committee

STAFF REPORT

Agenda Item:	8	Name:	Polly St. John
Proposed No.:	2012-B0081	Date:	May 8, 2012
Invited:	Robin Halberstadt, Project Program Manager, PSB Michael Gedeon, Supervising Senior Policy Analyst, PSB Gail Stone, Law and Justice Policy Advisor, Executive Office		

SUBJECT

AN UPDATE on the development of a pretrial risk assessment tool to guide the Superior Court in making pretrial release decisions

SUMMARY

The Council adopted Ordinance 16953 in November, 2010, that set policies regarding the development, adoption and use of a pretrial risk assessment tool for the adult detention population. Per the ordinance, the Executive reports quarterly on progress by citing steps and timelines.

Timelines for study design and execution, as well as development and creation of an implementation plan, were revised in the third quarter 2011 report to a December 2013 completion date. Following completion, County leadership will make a decision whether to move forward with implementation.

Below is a list of steps, upon which the program is reporting quarterly, as required by Ordinance 16973:

- ✓ 1. Seek out potential partners, identify funding, and hire a research consultant
- ✓ 2. Complete data collection and research on potential factors for the tool
- 3. Build the study sample – *staff training is complete, prospective data collection has begun and analysis has begun*
- 4. Collect Outcome Data and analyze results
- 5. Develop implementation plan – *preliminary work has begun*
- 6. Construct and test the tool
- 7. Make decision whether to proceed with implementation
- 8. Implement tool
- 9. Re-evaluate the tool every two to three years

The most current report on the first quarter 2012 is included as **Attachment 1**.

The project is currently on schedule. However, the project manager has informed Council staff that the consultant company, Assessments.com, has entered into receivership. With assistance from the PAO Civil Division, discussions are underway regarding the current contract for services. Although this development is unexpected, project staff expects that this will have minimal to no impact on the overall project schedule.

BACKGROUND

Past consultant reports¹ highlighted the potential benefits of using a pretrial risk assessment tool for defendants booked into the King County jail and coming before the court at first appearance and subsequent hearings. Such a tool would assist the Court by providing researched-based risk information that would supplement existing information that the Court uses when making decisions about releasing defendants or placing them in secure detention or alternatives programs.

Pretrial Assessment Tools

The use of a pretrial assessment tool is an emerging practice that may assist the court by providing researched-based risk information on pretrial defendants booked into jail. The purpose of a pretrial assessment instrument is to identify common factors that may be predictive of failure to appear in court and that could possibly result in a danger to the community. Pretrial assessment research² identifies some common factors and uses them to “weigh” probabilities. Some factors included in a pretrial risk assessment tool are similar to those already considered by the Court, such as current charge, pending charges at time of arrest, history of criminal arrest and convictions, active community supervision at the time of arrest, history of failure to appear, history of violence, residence stability, community ties, and substance abuse.

The objective of such a tool is to identify:

1. “low risk” defendants who can be safely released into the community with limited or no conditions pending trial,
2. “moderate and higher risk” defendants whose risk can be minimized by utilizing appropriate release conditions, community resources, and/or interventions upon release, and
3. the “highest risk” defendants for whom no condition or combination of conditions can reasonably assure appearance at court or could risk public safety.

An assessment tool should equitably classify defendants regardless of their race, ethnicity, gender, or financial status to ensure equal and fair treatment. A pretrial assessment tool would be intended to supplement existing information that the court considers in making decisions about releasing defendants or placing them in secure detention or alternative programs.

¹ “Use of Community Corrections Division Review” and “King County Caseflow Management Project Conclusions and Recommendations”

² May 2009 report, “Pretrial Risk Assessment in Virginia” was sponsored by the Virginia Department of Criminal Justice Services in Partnership with the Virginia Community Criminal Justice Association, with research conducted and the report provided by Luminosity, Inc.

Ordinance 16953

Ordinance 16953 passed by the Council in October 2010, set policies regarding the development, adoption and use of a pretrial risk assessment tool for the adult detention population. Ordinance requirements are listed in **Attachment 2**. The use of a pretrial risk assessment tool would assist the Court by supplementing existing information that the Court uses when making decisions. The Court currently uses information compiled from a number of sources, **Attachment 3**.

Pretrial Risk Assessment Workgroup

As required in Ordinance 16953 a pretrial risk assessment workgroup convened by the Adult Justice Operational Master Plan (AJOMP) Advisory Committee³ in 2009 is pursuing the development of a validated pretrial risk assessment tool for use in King County. The Office of Performance, Strategy and Budget (PSB) has hired a project manager, Robin Halberstadt, to help oversee this work. Michael Gedeon, a senior PSB policy advisor, has worked with this group since its inception and is also supporting the project.

A Request for Proposal (RFP) was issued by the county in December 2010 and Assessments.com was the preferred vendor. A contract for services was finalized in March, 2011 and the consultant began work in May 2011. The work group approved the research methodology, data collection protocols, and the final list of defendant factors to be collected for the study in August, 2011. The group meets bi-weekly to discuss progress of the overall project and to provide input and approval when needed.

Community Corrections Division

The Community Corrections Division (CCD) of the Department of Adult and Juvenile Detention (DAJD) administers alternatives to secure detention programs for both pretrial and sentenced defendants, as ordered by the Court. The Court currently uses information compiled from a number of sources to aide in judicial decisions as to whether a defendant will be required by the Court to participate in one of these alternative programs. When a pretrial assessment tool is implemented by the County, it is likely that CCD will continue to oversee Court ordered programs.

Current Activity Highlights

According to the most recent quarterly report, data collection software has been finalized, data analysis and planning work for future implementation has begun, and an agreement with the Seattle Municipal Court to participate in the project is being developed. Data collection is anticipated to be completed in June, 2012.

The first quarter 2012 report, **Attachment 1**, states that:

- Defendant information from criminal justice databases and the manual entry database have been successfully matched
- Data collection software has been finalized
- Intake Services Unit screeners at the County's correction facilities have been fully trained to collect data

³ The workgroup members include representatives from DAJD Community Corrections Division, the Budget Office (PSB), Superior Court, the Department of Judicial Administration, District Court, Office of Public Defense, the Prosecuting Attorney's Office (PAO), and Council staff.

- Data collection has begun, with approximately 32 interviews conduct daily by DAJD staff
- A smaller subset of the work group has begun development of an implementation plan. This work will include working with KCIT on software development, as well as the review of business practices and policy development for use. This work is to prepare for the possible implementation after the conclusion of the current research study.
- A contract between the County and the Seattle Municipal Court is being finalized for participation by the city in the project

Late Breaking Update

The project is currently on schedule. However, the project manager has informed Council staff that the consultant company, Assessments.com, has entered into receivership. With assistance from the PAO Civil Division, discussions are underway regarding the current contract for services. Although this development is unexpected, project staff expects that this will have minimal to no impact on the overall project schedule.

ATTACHMENTS

1. 2012-RPT0056, First Quarter Report 2012
2. Requirements of Ordinance 16953
3. Information Currently Used by the Superior Court at Arraignment



King County

Office of Performance, Strategy & Budget
Chinook Building
401 Fifth Avenue, Suite 810
Seattle, WA 98104

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KING COUNTY COUNCIL

April 2, 2012

The Honorable Larry Gossett
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Gossett:

The enclosed report fulfills the requirement in Section 2 of Ordinance 16953 to provide a quarterly update, beginning in the fourth quarter of 2010, regarding the “progress on the development of and implementation plan for” a pretrial risk assessment tool. This is the sixth progress report and covers activities conducted through 1st Quarter 2012.

For the past two years, the County’s criminal justice partners have been examining the emerging national practice of using a pretrial risk assessment tool. In particular, the Adult Justice Operational Master Plan (AJOMP) Advisory Committee charged the Pretrial Risk Assessment Workgroup with reviewing this practice, assessing whether it was applicable in King County, and recommending potential next steps. In April 2010, the Workgroup completed its report within which it noted the potential benefits and limitations of a pretrial risk assessment tool and recommended proceeding with its development. Since the report was completed, the Workgroup has received support from our criminal justice partners and the Council, through Ordinance 16953, for proceeding with development of the tool.

The enclosed progress report for the 1st Quarter 2012 highlights all of the major steps accomplished and status of milestones. Through the 1st Quarter, the project has made considerable progress. Notable accomplishments include finalization of data collection software, beginning of data analysis, initiation of planning work for future implementation of the tool, and development of an agreement with the Seattle Municipal Court to participate in the project.

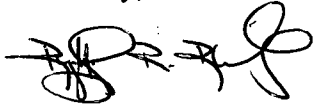
The tool development effort supports the King County Strategic Plan’s goal to “support safe communities and accessible justice systems for all,” and specifically supports the Justice and Safety objectives to “ensure fair and accessible justice systems,” and “ensure offending individuals are appropriately detained or sanctioned.”

The Honorable Larry Gossett
April 2, 2011
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Preparation of this report required approximately three hours of staff time at a cost of approximately \$200.

If you have any questions, please contact Michael Gedeon, Supervising Senior Policy Analyst, Office of Performance, Strategy, and Budget, at 206-263-9698.

Sincerely,



Dwight Dively
Director, Office of Performance, Strategy and Budget

Enclosure
4th Quarter 2011 Progress Report

cc: King County Councilmembers
 ATTN: Michael Woywod, Chief of Staff
 Mark Melroy, Senior Principal Legislative Analyst, BFM Committee
 Anne Noris, Clerk of the Council
Claudia Balducci, Director, Department of Adult and Juvenile Detention (DAJD)
Nate Caldwell, Director, Community Corrections Division, DAJD
Dwight Dively, Director, Office of Performance, Strategy, and Budget (PSB)
Krista Camenzind, Budget Supervisor, PSB
Fred Jarrett, Deputy County Executive, King County Executive Office (KCEO)
Rhonda Berry, Assistant Deputy County Executive, KCEO
Sung Yang, Director of External Affairs and Government Relations, KCEO
Frank Abe, Director of Communications, KCEO
Carrie Cihak, Strategic Initiatives Director, KCEO
Gail Stone, Law and Justice Policy Advisor, KCEO

Pretrial Risk Assessment Progress Report – 1st Quarter, 2012

The following progress report includes background information on the development of the project, describes the work conducted during this quarter, and a project schedule that summarizes work completed, next steps, and an estimated timeline.

Background

The recommendation to explore the feasibility of implementing pretrial risk assessment in King County was initially made by the Adult Justice Operational Master Plan (AJOMP) teams in 2008 in response to a proviso from the King County Council (“Use of Community Correction Division Review”). The Council accepted the proviso report in June 2008. At approximately the same time, an outside consultant working for Superior Court also recommended exploring pretrial risk assessment in King County.

In April 2009, a pretrial risk assessment workgroup was convened by the Office of Strategic Planning and Performance Measurement. The Workgroup identified several potential benefits of using a pretrial risk assessment tool, including supplying the court with a tool that assesses defendant risk based on factors that are statistically significant predictors of re-offense and failure-to-appear, providing judges with risk scores that are consistent for defendants with similar characteristics, and potentially guiding placement into Community Corrections Division (CCD) programs.

In April 2010, the Workgroup recommended proceeding with a research study to develop a pretrial risk assessment tool once funding was secured. A research consultant would be needed to conduct the study and construct a draft tool to be tested for validity. The Workgroup, in parallel, would develop a detailed implementation plan that would include timelines and costs for such items as software development and training. Upon completion of this work, stakeholders, particularly the courts, would have an opportunity to assess if the proposed tool was achieving its intended goals and if implementation was still feasible.

The Office of Performance, Strategy and Budget (PSB) identified federal funding for the project in August and included appropriation authority in the 2011 budget. The budget was adopted in November 2010, and the Department of Justice approved King County’s request to reprogram federal funds in January 2011. PSB and the workgroup selected Assessments.com (ADC) as the consultant and hired a project manager in March 2011. ADC began work in May 2011. The Workgroup approved the research methodology, data collection protocols and the final list of defendant factors to be collected for the study in August 2011. Data collection staff was trained in October, and data collection began in November, 2011.

First Quarter 2012 Activities

Several highlights of the activities in the first quarter of 2012 include:

- In January, follow-up training sessions were held with data collection staff. Staff provided further feedback on the progress of data collection and suggested minor software changes to improve the consistency of data collection and entry procedures across screeners. Based on this feedback, final changes were made to the software in mid-January. Data collection is now fully underway, with an average of 32 interviews being conducted each day.

- In February, the project's research consultant successfully matched all defendant information for the study from criminal justice system databases and the ADC manual-entry database and began analysis of study data.
- With input from King County Information Technology Services (KCIT), the workgroup began implementation planning for pretrial risk assessment to prepare for the possibility that implementation could occur shortly after the conclusion of the current project. The project manager and CCD identified goals for the implementation planning process, created a timeline for development of the implementation plan, determined immediate funding needs, and worked with other criminal justice agencies (Office of the Public Defender, the Courts, Prosecuting Attorney's Office) to assign individuals to the implementation planning team.
- On January 6th, County project representatives from the workgroup, joined by Presiding Superior Court Judge Richard McDermott, gave a presentation to the Seattle Municipal Court (SMC) Executive Judicial Committee to describe the goals of the project and encourage SMC participation. SMC agreed to participate in the project in late January, and the project manager is currently working with the Prosecuting Attorney's Office and SMC to finalize a contract.

Summary Steps and Timelines

Steps	Workgroup Estimated Timeline	Contract Timeline	Revised Timeline	Status
1. Seek Out Potential Partners, Identify Funding, and Hire Research Consultant <ul style="list-style-type: none"> Explore potential partnerships with other jurisdictions; Identify funding to cover the cost of developing the tool; Develop and issue the Request for Proposals for the research consultant to analyze potential factors for the tool and test tool. Select research consultant and hire project manager. 	Sep 2010 - Dec 2010	Sep 2010 – Apr 2011	Sep 2010 – Apr 2011	Funding identified and RFP issued. Workgroup reached out to potential partners.
2. Complete Data Collection and Research on Potential Factors for the Tool <ul style="list-style-type: none"> Finalize a potential list of factors that may be correlated to failure to appear and risk of re-offense. Consultant develops data collection and research methodology. Approach to preventing disproportionate minority confinement (DMC) contribution developed and implemented. Receive data collection software and train staff 	Jan 2011- Feb 2011	May 2011 – Jul 2011 (note: consultant work initiated on May 1, 2011)	May 2011 – Sep 2011	Research consultant contract completed. Project Manager hired. Data collection protocols, research methodology and factor list finalized. DMC approach developed. Received data collection software.
3. Build the Study Sample <ul style="list-style-type: none"> <i>Prospectively</i> collect data on each factor for a large set of defendants booked into the jail. Note that significant portions of the data collection may largely be a manual process. 	Feb 2011 – Aug 2011	Jul 2011 – Mar 2012	Oct 2011 – Jun 2012	Staff training complete. Data collection began on November 21, 2011. Research consultant began analysis in February, 2012.
4. Collect Outcome Data and Analyze Results	Aug 2011 – Feb 2012	Apr 2012 – Mar 2013	Jul 2012 – Jun 2013	

<ul style="list-style-type: none"> • Collect pretrial outcomes (Failure to Appear and Re-offense) and demographic data (gender, race/ethnicity, and age) for each defendant in the study. Portions of this data collection may also be a manual process. • Complete statistical analysis measuring the correlation of each factor to failure to appear and re-offense and examining these results across demographic categories. 				
<p>5. Develop Implementation Plan</p> <p>Implementing a pretrial risk assessment tool may have implications for staffing, court process, budget, and technology systems. Until the outdated technology systems are replaced, it will be important to gain an understanding of the net impact of administering a tool on the intake services and court personnel and develop cost-effective interim technology solutions. A team of criminal justice partners would develop an implementation plan covering the following:</p> <ul style="list-style-type: none"> • Determine the target populations to receive the tool. • Define the staffing requirements for intake services. • Outline policies and procedures for each organization and develop training curricula. • Recommend changes in forms and paper flow. • Develop quality assurance mechanisms so that there is feedback to staff if the tool is not completed correctly. • Examine web-based and other technology for implementing tool. • Estimate the start up costs and ongoing budget. 	<p>May 2011 - Dec 2011</p>	<p>Apr 2012 – Dec 2012</p>	<p>Jul 2012 – Jul 2013</p>	<p>Preliminary work to prepare for implementation planning kick-off began in February, 2012.</p>

<p>6. Construct and Test Pretrial Risk Assessment Tool</p> <p>With the research completed on the potential factors, a draft pretrial risk assessment tool can be constructed and tested.</p> <ul style="list-style-type: none"> • Select factors for tool based on research and public safety priorities. Assign weights to create a draft tool. • Test the draft tool against research database to measure its potential impact on failure to appear, re-offense, jail and CCD utilization, and disproportionality. Adjust factors and weights to create the most effective tool. 	Feb 2012-Apr 2012	Apr 2013	Jul 2013 - Aug 2013	
<p>7. Make Decision Whether to Proceed with Implementation</p> <ul style="list-style-type: none"> • Summarize the proposed tool, expected benefits, and implementation costs/logistics with criminal justice partners. Make recommendation whether to proceed. • Submit tool and implementation plan to court for review and approval. 	Apr 2012-May 2012	Apr 2013 – May 2013	Aug 2013 -Sep 2013	
<p>8. Implement Pretrial Risk Assessment Tool</p> <p>A team of criminal justice partners would be responsible for monitoring implementation progress and troubleshoot issues when they arise. In particular, this team should periodically monitor the potential impact of the tool on the jail population and key outcomes. Implementation tasks include:</p> <ul style="list-style-type: none"> • Purchasing, implementing, and testing any necessary technology solutions. • Training all affected personnel. • Establishing quality assurance mechanisms. 	May 2012-Aug 2012	May 2013 – Aug 2013	Sep 2013 – Dec 2013	

9. Re-Evaluate the Tool Every 2 to 3 Years. A pretrial risk assessment tool is developed at a point in time and should be periodically evaluated and updated to ensure its relevance and maintain its effectiveness.	2014	2015	2015	
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Requirements of Ordinance 16953

Ordinance 16953 requires the following:

- Section 1. a request that the Superior and District Courts consider approval of screening criteria for participation by pretrial defendants in alternative programs and notify the Council of the status of criteria development by March 1, 2011;
- Section 2. that the pretrial risk assessment workgroup proceed with development of a tool and to report quarterly on the progress toward development and implementation;
- Section 3. that upon approval and use of a validated tool to forward a motion that describes implementation of the tool within six months;
- Section 4. that the budget office, in consultation with DAJD and the courts, report on participants in alternative programs for 2009 and the first half of 2010; and
- Section 5. that a supplement to the detention and alternatives report is reported that includes information on pretrial adults participating in alternative programs.

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Information Currently Used by the Superior Court at Arraignment

Pending trial, judges have the option to release a defendant on personal recognizance, to allow the defendant to post bail or an appearance bond, to order the defendant to an alternative program, or a combination of conditions. The Court currently uses information compiled from a number of sources to aid in judicial decisions as to whether a pretrial defendant will be required by the Court to participate in one of three Community Corrections Division alternatives to secure detention programs.

The DAJD Intake Services Unit (ISU) also conducts an interview after booking that includes the following information: any previous arrests and/or convictions, warrant history, as well as verification of whether the defendant has a stable work history, stable housing, employment, or other ties to the community. ISU implements administrative court orders which release individuals on personal recognizance pending disposition of their charges.

Court Rules (CrR) are established by the Washington Supreme Court and are binding upon lower courts. CrR 3.2 has been reported by the Superior Court to be essential for guiding decisions. The rule includes a presumption of innocence, directs that the court shall presume release on personal recognizance unless that release will not reasonably assure the defendant's appearance in court or there is a likely danger to public safety.

The Court also considers facts set forth in CrR 3.3(c) and any other factors considered relevant by the judge such as charging documents provided by the Deputy Prosecuting Attorney and interviews conducted by the Department of Adult and Juvenile Detention.

The Court uses the following information to inform its release decision:

1. Details of the charge and the PAO understanding of past history and basis for a bail request;
2. Certification for Determination of Probable Cause which is a sworn statement by the arresting officer;
3. PAO Appendix B that lists a defendant's criminal convictions at all levels of court, based upon county, state, and a nation-wide databases;
4. Court Services Interview Sheet that is compiled from King County records and data. If the defendant agrees to an interview, the records include self-reported information about residential, marital and family status, employment, education, substance abuse, mental health information, special needs, and contact information for references. The court services sheet will also show the court when staff have been able verify data provided by the defendant;
5. Judicial information from the Washington Judicial Information system, showing previous records and compliance;
6. Representations by deputy prosecuting attorney, victim's advocates, defense counsel, and others.